THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The American Airplane in China

On the Eve of Tariff Autonomy

By C. Y. W. Meng

The Renunciation of Protection by Certain Missionaries

By Tan Shao-hwa

The Changing Status of Aliens

By L. I. Tsok

A Practical Educational Movement

By Oliver J. Todd

Will China and Japan Succeed This Time?

Lead in the Far East

By Boris P. Torgasheff

密勒氏評論報

SATURDAY, JANUARY 26, 1929

FORTY CENTS A COPY

Vol. XLVII No. 9.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報館

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47-421

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Porto Rico	2.85	1.40	
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4th. Alabama, Arkansas, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Ohio, Missouri, Minnesota, Texas, Mississippi, Oklahoma, Tennessee and Wisconsin	1.90	.95	.65
5th. District of Columbia, Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New York, New Hampshire, North and South Carolina, Pennsylvania, Rhode Iasland, Vermont, Virginia and West Virginia	1.95	1.00	.65
Other Places in West Indies on Application			

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All other Offices	3.05	1.55	
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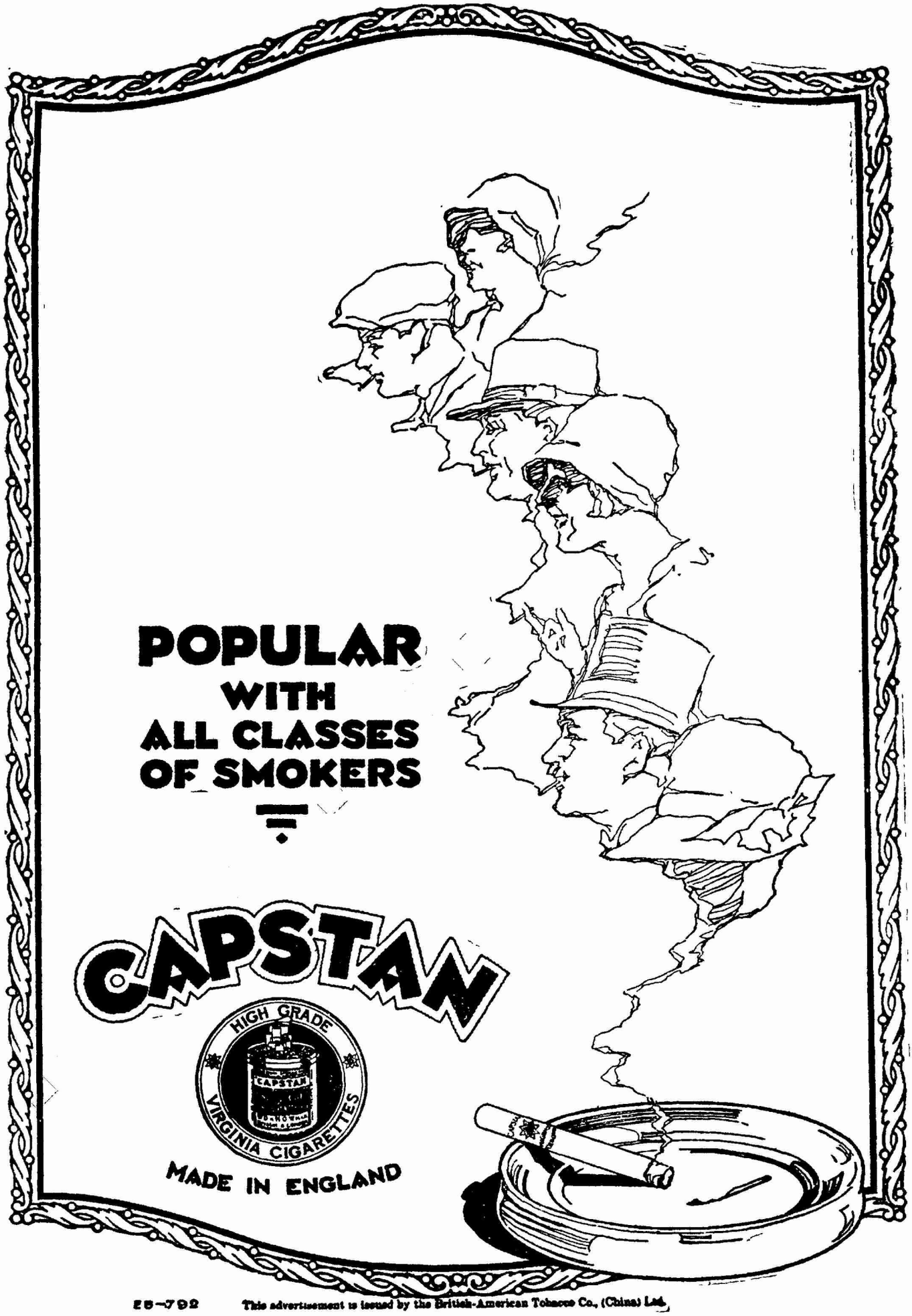
Bahai, Ceara, Maceio, Maranchao Para, Pernambuco, Rio de Janeiro, Rio Crande de Sul, Santa Catarina, Santos, Sao Paolo, & Victoria	3.05	1.55	
Amazon Rivar Stations			
Zone 1.	3.70	1.85	
Zone 2.	4.35	2.20	
Acre Distriet (via RCA) Cruziero do Sul, Porto Velho, Rio Branco, Senna Macureira, Tarauaca, & Xapury.			
Via Belem Rodio	4.15	2.10	
Via Manaos Radio	5.00	2.50	
All other Offices	3.40	1.70	
British Guiana:—			
Akyma, Apoter- Enachu, Mackenzie, Rockstone & Wismar	3.35	1.70	
All other Offices	3.15	1.60	
Chile:—			
Punta Arenas (Via Santigo)	3.30	1.65	
All other Offices	3.05	1.55	
Colombia:—			
Buena Ventura&Cartagena	2.85	1.40	
Bogota	2.90	1.45	
All other Offices	2.95	1.50	
Dutch Guiana & Curacao	4.15	2.10	
Ecuador	3.05	1.55	
French Guiana	4.25	2.15	
Paraguay	3.05	1.55	
Peru:—			
Callao, Lima & Mollendo	3.25	1.65	
El Encanto, Iquitos, Loticia, Masisea & Puerta Maldonado	3.50	1.75	
All other Offices	3.25	1.65	
Uruguay	3.05	1.55	
Venezuela:—			
Via Trinidad Radio	3.40	1.70	
Via New York Radio	4.05	2.05	
EUROPE			
All Countries	1.60	.80	
(No Deferred Messages to Bulgaria or Turkey)			
ASIA			
French Indo-China	.75	.35	
Dutch East Indies	1.15	.60	
Philippine Islands:—			
Manila	.45	.20	.10
Luzon other places	.55	.30	.15
All other places	.80	.40	.25
Hawaiian Islands:—			
Honolulu (all places on Oahu)	1.85	.75	.40
Other Islands	1.50	.95	

URGENT — ORDINARY — DEFERRED — NIGHTLETTERS

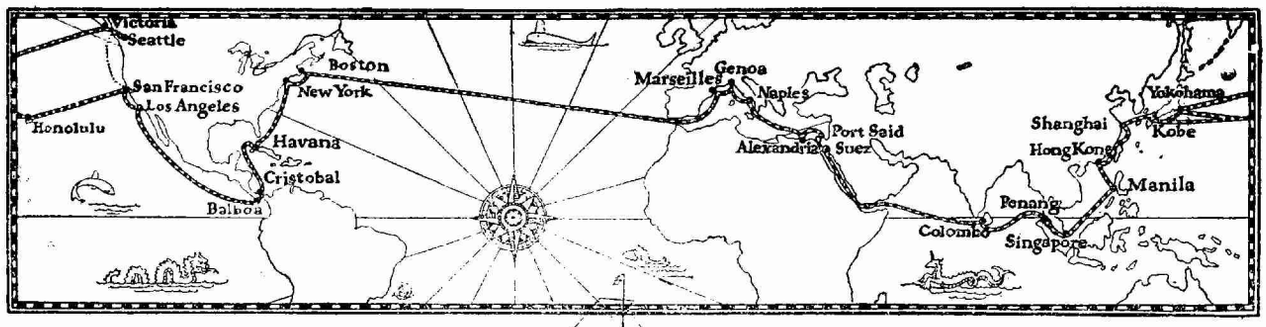
Note: Radiograms for the important cities of China may also be filed at the above office.

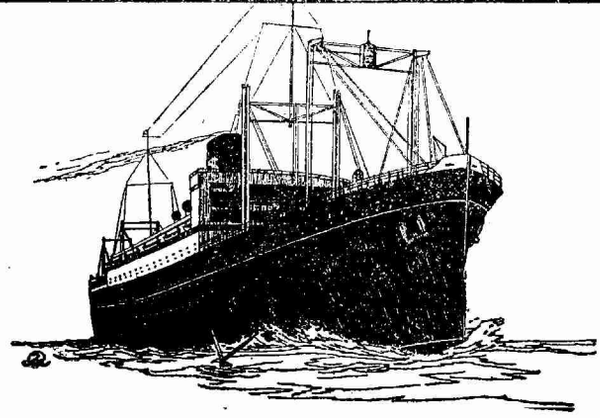
ACCURACY—SPEED—ECONOMY—SERVICE

47-422



25-792 This advertisement is issued by the British-American Tobacco Co., (China) Ltd.





EAST OR WEST

A Service Unexcelled

The palatial "PRESIDENT LINERS" of the Dollar Steamship and American Mail Lines accord you the finest in Ocean Transportation. The public rooms are luxuriously appointed and commodious. The wide decks as well as the glassed-in promenade permit of deck games, strolls, long rows of steamer chairs and that appreciated sense of sheer enjoyment.

The Cuisine is world famous. Crisp lettuce, celery, fruits, fresh milk, eggs, meats, all delectably prepared by competent and skilful chefs. The service is all that you could desire.

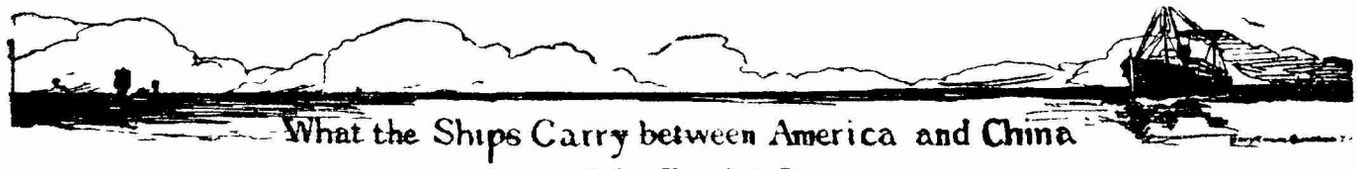
The staterooms on "PRESIDENT LINERS" are all outside, large and beautifully furnished. Beds ensure maximum travel comfort. Hot and cold running water, wardrobes, mirrors, reading lamps, thermos bottles, fans. Many rooms have private tub and fresh water baths. You will enjoy traveling to America, Interport or Round the World to Europe on these great modern, fast Liners.

WEEKLY SAILINGS TO AMERICA
ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
FOLLOWING WEEK TO VICTORIA B.C. AND SEATTLE VIA THE SHORT ROUTE
FORTNIGHTLY ROUND THE WORLD VIA HONGKONG, MANILA, STRAITS, COLOMBO, EGYPT, ITALY, FRANCE, TRANSATLANTIC TO BOSTON AND NEW YORK

Dollar Steamship Line
American Mail Line

The Robert Dollar Co., General Agents.
BRANCH OFFICES IN ALL PRINCIPAL CITIES AND ROUND THE WORLD

47-424



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picut or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; Jan. Customs Rate Tls. 1.41 equal Gold $1

GOLDEN HIND, Nov. 24.
From U. S. A.

Paper, Chipboard	Pls.	2,132
Paper, Wrapping	,,	284
Oil, Kerosene, in Case	Galls.	24,790
Oil, Kerosene, in bulk	,,	17,702
Turpentine, Mineral	,,	1,292

TAIAN MARU, Nov. 26.
from U. S. A.

Cotton, Raw	Bls. 1,197 Pls.	4,190

PRESIDENT HARRISON, Nov. 27.
To U. S. A.

Silk, Waste, Refuse:		
Chefoo	Bls. 141 Pls.	498.54
Silk Cocoons, Stripped, Pierced, Shanghai	Bls. 35 ,,	25.04
Tea, Green:		
Gunpowder, Ningpo	,,	52.40
Tea, Black, Fired, Hankow	,,	135.00
Cotton Lace	,,	10
Egg Albumen, Dried	,,	33
Egg Yolk, Linquid	,,	1,615
Feathers, Duck	,,	12
Feathers, Goose	,,	17
Hides, Buffalo	,,	432
Tungsten Ore	,,	168
Bristles, Assorted	,,	498

ILLINOIS, Nov. 30.
From U. S. A.

Canned Fruits	Pls.	15
Paper, Chipboard	,,	530
Paper, Printing	,,	147
Paper, Wrapping	,,	11,208
Paper, Writing	,,	702
Motor-cars	Pcs.	1
Timber: Ordinary, Sawn:		
Softwood	Sup. ft.	312,179

SIBERIA MARU, Nov. 30.
From U. S. A.

Borax	Pls.	331
Lead-foil and Tinfoil	,,	1,284
Leather, Calf Coloured	,,	15
Milk, Condensed	,,	720
Tobacco, Leaf	,,	7,168
Oil, Lubricating, Mineral	Galls.	2,647
Cigarettes	Mille	1,070
Typewriters	Pcs.	7

MALAYAN PRINCE, Nov. 30.
from U. S. A.

Waterproof Cloth	Yds.	1,147
Iron, Galvanized:		
Pipe Fittings	Pls.	23
Steel Bar	,,	1,043
Steel, Galvanized:		
Wire Shorts	,,	420
Aluminium-foil	,,	42
Aluminium Wire	,,	23
Cuttle-fish, Dried	,,	68
Flour, Corn	,,	1,365
Indigo Paste, Artificial:		
20 per cent.	,,	92
Leather, Artificial	,,	6
Leather, Kid	,,	3
Leather, Sole:		
Shoulders	,,	471
Other	,,	14
Paper, Cigarette	,,	331
Petrolatum	,,	28
Tobacco, Leaf	,,	16,094
Machines, Sewing	Pcs.	4
Shirts	Doz.	96
Shoes	Pairs	240
Cigars	Mille	21
Cigarettes	,,	100,000
Paints, Unenumerated	Galls.	120
Dyes, Aniline	Pkgs. 50 Hk. Tls	2,164
Motor-cars, Parts of	,,	2,059
Motor trucks, Parts of	,,	806
Treasure:		
Silver Bars	Hk. Tls.	657,721

PRESIDENT CLEVELAND, Nov. 30.
From U. S. A.

Borax	Pls.	386
Butter	,,	7
Canned Asparagus	,,	286
Canned Fruits	,,	1,075
Cheese	,,	24
Coffee	,,	30
Grapes, Fresh	,,	33
Ink, Printing	,,	267
Leather, Calf	,,	1
Leather, Sole	,,	215
Macaroni	,,	58
Malt	,,	159
Milk Evaporated	,,	1,401
Paper, Unclassed	,,	749
Raisins, Dried	,,	4,052
Shrimps, Dried	,,	140
Sugar, Cube White	,,	63
Cigarettes	Mille	46,850
Lemons	,,	31
Oil, Lubricating, Mineral	Galls.	159
Chocolate	Lb.	5,936
Motor-cars	Pcs.	2
Motor-cars, Parts of	Hk. Tls.	395
Treasure:		
Silver Bars	,,	548,199
Silver Bullion	,,	208,611

EMPRESS OF FRANCE, Nov. 30.
To U. S. A.

Silk, Raw, Steam Filature:		
White, Soochow	Bls. 15 Pls.	15.11
White, Shanghai	Bls. 347 ,,	344.68
Silk, Raw, Reeled from Doupions:		
Shanghai	Bls. 1 Pls.	0.97
Silk Waste, Refuse:		
Dairen, etc.	Bls. 114 ,,	371.50
Shanghai	,, 94 ,,	151.06
Silk Cocoon Strippings:		
Shanghai	Bls. 16 ,,	49.92
Silk Piece Goods	,,	16.02
,, Pongees, Honan	,,	8.10
Tea, Black, other kinds, Hankow	,,	402
Tea, Green:		
Gunpowder, Ningpo	,,	560
Tea, Scented, Foochow	,,	7
,, Leaf, Unfired, Hankow	,,	147
,, ,, ,, Kiukiang	,,	20
Bristles	,,	14
Nutgalls	,,	420
Hair, Horse	,,	102
Musk	Catties	641
Hats, Buntal Fibre	Pcs.	6,300
,, Hemp	,,	1,800
Skins, Dog, Tanned	,,	5,500

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 Jan. 23
Market Maintaining Business done, 4,986,600 Shares.

STOCK	Monday Jan. 21	Tuesday Jan. 22
Allied Chemical & Dye (Common)	272½	271
American Can (Common)	113⅞	114⅝
American Smelting	96	103⅜
American Telephone & Tel. (Common)	200	200¼
American Tobacco "B"	180	180
Armour & Co. "A"	17¾	17⅝
Armour & Co. (Ill.) 7% Pfd.	85⅛	85½
Anaconda Copper	125½	124⅞
Bank of Montreal	412	415
Bethlehem Steel (Common)	85⅛	84⅞
Bethlehem Steel, 7% Pfd.	122¼	122¼
Brooklyn-Manhattan Transit	75⅛	77⅛
Calumet & Hecla	53⅜	54
Campe Corp.	100	100
Canadian Pacific Railway	242⅜	242⅜
Cavanaugh Dobbs	33½	34
Chile Copper	89⅝	92
Chrysler	117¾	118⅞
Consolidated Gas of New York	108¼	110¾
Coty Incorporated	74⅞	74¾
Davison Chemical	64⅜	64
Dry Docks	22	22⅛
Du Pont de Nemours E. I. (Common)	540	585¼
Eastman Kodak	183¾	183
Fox Film "A"	98⅜	97
General Electric Co.	235¼	235½
General Motors	198	202⅛
General Railway Signal (Com.)	97	97
Gold Dust	79½	79⅜
Granby Consolidated	80	89¼
Haygart	47	None
Hudson Motor Car	84¼	85
International Cement (Common)	92½	91¾
International Match, Pfd.	96⅛	95½
International Nickel (Common)	64⅞	69¾
International Printers Ink	60	62
International Products Corp. (Common)	13	14
Kelvinator	18	17⅝
Kennecott Copper	Mult.	156⅛
Keystone Aircraft	45¼	44⅞
Lake Superior Corp.	26⅛	27
Liggett & Myers, Class "B"	94	96
Lorillard Company (Common)	25¾	25
Mack Trucks	106	107¼
Madison Square Garden	20½	20
Maytag Co.	28⅜	23½
Missouri Pacific (Com.)	66⅛	65⅜
National Dairy Products	129⅜	129⅛
Nevada Consolidated Coppor	43⅝	45¾
New York Central Railroad	194	194⅞
Pacific Gas & Electric Co.	55	55
Packard Motor Car Co. (Common)	141¼	141⅛
Pennsylvania Railroad	80½	80¼
Phillips Petroleum	41¾	40½
Radio Corporation	355⅛	356½
Reynolds Tobacco, "B"	157¾	158⅜
Sbell Union Oil	28¾	28⅜
Standard Gas & Electric (Common)	85⅛	85
Standard Oil of California	70	69⅜
Standard Oil of New Jersey	52⅜	51
Standard Oil of New York	44½	44⅜
Texas Corporation (Common)	63⅞	63⅞
Texas Gulf Sulphur	77¼	78½
Timken Roller Bearing	79¼	79¼
Trans-America Corp.	130	130¼
Transcontinental Air Transport	27⅜	26⅜
Union Carbide	201½	208⅞
Union Pacific Railroad (Common)	219⅞	219½
U. S. Inter. Security Pfd.	100	100
United States Leather	59½	59
United States Realty & Imp Co.	84¼	87
United States Rubber (Pfd)	89	88½
United States Steel	183	137⅝
Vanadium Corp.	108½	109½
Westinghouse Elec. (Com)	138¾	139⅜
Willys Overland Co.	31¼	31¼
Wright Aeronautical	273	273

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, well commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow known as the *"Garden City of the Orient"*, Wusih, the pictureque city on Lake Tai-hu, Chinkiang, the *"Gate of the Yangtze River"*, and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with its picturesque surroundings that it has been well called the *"Switzerland of China"*. Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai at Shanghai North Station.

47-426

Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China.

Government International Radio Service

Notice is hereby given that this Administration has now been instructed by the Ministry of Communications to handle international testing radiograms for general public correspondence, the service of which will commence on 15th January, 1929.

All radiograms destined to the following places will be accepted at our SHANGHAI RADIOGRAMS TRAFFIC OFFICE, 30 AVENUE EDWARD VII, TEL. NO. 62377:—

EUROPE: ALL COUNTRIES, GREENLAND, ICELAND, TURKEY in ASIA,
AFRICA: MOROCCO,
NORTH-AMERICA: U.S.A., MEXICO,
CENTRAL-AMERICA: ALL COUNTRIES,
SOUTH-AMERICA: ALL COUNTRIES,
WEST INDIES.

TESTING RADIOGRAMS TARIFF.

TO	Ordinary	Deferred
EUROPE	Mex. $	Mex. $
All Countries	1.50	.75
Azores	1.75	.90
Canary-Islands, Faros-Islands,	1.60	.80
Greenland	1.85	.95
Iceland	1.65	.80
Svalbard (Spitzbergen)	1.65	.85
Turkey in Asia	1.70	.85
AFRICA		
Morocco 1) Spanish Zone via Tanger	1.60	.80
Morocco 1) Spanish Zone via Spain	1.55	.80
Morocco 2) all other offices	1.60	.80
NORTH-AMERICA		
California: Alameda, Berkeley, Oakland, S. Francisco	1.80	.90
California: Other stations	1.95	.95
New Jersey: Hoboken, Jerseycity, Unioncity	1.95	1.00
New Jersey: Other stations	2.05	1.05
New York: Newyork City and all stations within the tariff of Newyork City	1.95	1.00
New York: Other Stations	2.05	1.05
Arizona, Idaho, Nevada, Oregon, Utah, Washington State	1.95	.95
Connecticut, Maine, Massachusetts, New Brunswick, New Foundland, New Hampshire, Nova Scotia, Ontario, Prince Edward Isl., Quebec, Rhode Isl , St. Pierre and Miquelon Vermont	1.95	1.00
Colorado, Dakota: North and South, Kansas, Montana, Nebraska, Vancouver Isl., Wyoming New-Mexico	2.00	1.00
Alabama, Arkansas Columbia Distr., Delaware, Illinois, Indiana, Iowa, Kentucky Labrador, Louisiana, Manitoba Maryland, Michigan, Minnesota, Mississippi, Missouri, Ohio, Oklahoma, Pennsylvania Tennessee, Texas, Wisconsin	2.05	1.05
Alberta, Carolina: North and South, Georgia, Saskatchewan, Virginia, West Virginia	2.10	1.05
Columbia: British: 1. Zone	2.00	1.00
Columbia: British: 2. Zone	2.10	1.05
Columbia: British: 3. Zone	2.10	1.05
Columbia: British: 4-9 Zone	2.20	1.10
Florida	2.15	1.10
Mexico	2.35	1.20
Alaska	2.45	1.25
Yukon	2.65	1.35

TO	Ordinary	Deferred
NORTH-AMERICA	Mex. $	Mex. $
Bahama Islands	2.65	1.35
Bermuda Islands	2.85	1.45
Turks Island	3.00	1.50
CENTRAL AMERICA		
Costarica, Salvador	3.00	1.50
Guatemala: S. Jose de Guatemala	2.90	1.45
Guatemala: Other Places	3.00	1.50
Honduras: British (Belize)	2.55	1.30
Honduras: Republic of	3.00	1.50
Nicaragua: S. Jose del Sur	2.90	1.45
Nicaragua: Other Stations	3.00	1.50
Panama: Almirante, Boccas de Torre	3.50	1.75
Panama: Ancon, Balboa, Colon, Cristabol, Panama	2.95	1.50
Panama: Other Places	3.00	1.50
SOUTH AMERICA		
Argentine, Chili, Paraguay, Bolivia,	3.10	1.55
Ecuador	2.95	1.50
Uruguay	3.30	1.65
Venezuela	3.50	1.75
Brazil: Pernambuco	2.45	1.25
Brazil: Amazon Stations I Region	3.65	
Brazil: Amazon Stations II Region	4.30	
Brazil: Other Stations	3.00	1.50
Columbia: Buenaventura, Cartagena, Valle, Barranquilla	2.95	1.50
Columbia: Bogota	3.00	1.50
Columbia: Other Places	3.10	1.55
Falkland Isl: Port Stanley	3.70	1.85
Guayana: British: Georgetown	3.25	1.65
Guayana: French	5.10	
Guayana: Dutch	4.65	
Peru: El Encanto, Iquitos, Leticia, Masisea, Puerto Maldonado	3.50	1.75
Peru: Other Places	3.30	1.65
WEST INDIES		
Antigua, Trinidad	3.25	1.65
Barbadors	3.00	1.50
Cuba: Havana	2.25	1.15
Cuba: Other Places	2.35	1.20
Haiti: Port au Prince	3.15	1.60
Haiti: Other Places	3.25	1.65
Dominica: Republic: La Romana	3.35	1.70
Dominica: S. Domigo. Puerto Plata	3.15	1.60
Dominica: Other Places	3.20	1.60
St. Thomas	3.15	1.60

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密勒氏評論報

THE CHINA WEEKLY

REVIEW

Formerly Millard's Review

中華郵政特准掛號認爲新聞紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XLVII SHANGHAI, CHINA, SATURDAY, JANUARY 26, 1929 NUMBER 9

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

AMERICAN OFFICE
WORLD WIDE NEWS ASSOCIATION
11 West 42nd Street New York City
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NATIONALISTS WOULD HELP FOREIGN BUSINESS

A POLICY of encouragement and cooperation for foreign business and finance in China was outlined in important addresses delivered in Shanghai on the evening of January 12 by Dr. C. T. Wang, Minister of Foreign Affairs and Dr. H. H. Kung, Minister of Industry, Commerce and Labor. The occasion of the meeting was a dinner tendered by the Chairman and Committee of the Chinese General Chamber of Commerce to the committees of the American and British Chambers of Commerce, about fifty of the leading foreign and Chinese businessmen being present, as well as several officials of the Chinese Government, including F. W. Maze, Inspector-General of Customs and F. Chang, Superintendent of Customs. The addresses of Dr. Wang and Dr. Kung were both delivered in English and Chinese and in addition there were brief talks by Feng Shao-san, Chairman of the Chinese Chamber; S. Fessenden, Chairman of the Shanghai Municipal Council; E. T. Byrne of the British Chamber of Commerce and C. H. French, Chairman of the American Chamber. Dr. C. T. Wang, who delivered the first address, spoke of America, Britain and China as the "A. B. C." Powers and expressed the belief that the strained relations which had existed between these three Powers in the past two or three years had subsided, which was important from China's standpoint because of the country's embarcation upon an era of reconstruction which would require assistance from both America and Britain. "The present period calls for peace and order and the best efforts of our nation," declared the speaker, who stated that optimism existed everywhere because this was the first time since the revolution that any Government in China had been able to get all of the military and political leaders of the country around one table for a conference. It was also significant that all of the civilian leaders of the Government were present and actively participated in the discussions at the recent Nanking Military Reorganization Conference. We are now working night and day to bring about disbandment of troops in order that peace and order can come in the country. This all requires money and it is necessary for us to re-establish our credit. The Government has decided to set aside a portion of the 1929 Customs revenues for refunding our domestic and foreign obligations and while the amount available now is small, we hope to increase this gradually until we can again get on our feet. China needs expert assistance from abroad because China hasn't sufficient men of experience. China is more than a nation; China is a continent. Our job of reconstruction is tremendous and we must get the best men available—from America, Britain and other countries—and no

price is too high to pay for the talent we require. In concluding his talk the National Foreign Minister urged the foreign businessmen present to use their influence and give constructive advice, but at the same time urged them to use their influence to prevent the constant "picking" on the Government and Chinese institutions which appear in a certain section of the local foreign press.

DR. H. H. KUNG, Minister of Industry, Commerce and Labor, in his address explained the proposed "factory law" which the Government is working on and said that the preliminary draft which has been published in the newspapers was insufficient to give a correct idea of what the Government is trying to do—to draft regulations which will tend as far as possible to prevent the destructive fights between capital and labor which had been so disastrous in Western countries. He said that the proposed law had been drafted by the government after consultation with a large committee of Chinese industrialists, businessmen and representatives of labor groups. In reference to the future of foreign bussiness in China, Dr. Kung stated that his Ministry was shortly establishing an office in Shanghai for the purpose of providing information to foreign businessmen and also for the purpose of helping Chinese businessmen to get in touch with foreign commercial interests which are desirous of expanding their enterprises in China. Business is something which requires peace and order and stability and this is what the late Dr. Sun Yat-sen worked for because he realized that peace and order were necessary for the spread of his ideals for democracy on the Asiatic Continent. He declared that the day had passed in China when militarists and politicians have the whole say in governmental affairs and that the time has arrived when the Government welcomes advice from businessmen. He stated that the Government is now working on a labor and trade law which he hoped would minimize capital-labor troubles which had handicapped industrial development in China. Dr. Kung also devoted considerable attention to the question of improving China's reputation in the world's markets and stated that the Government was shortly establishing laboratories in the chief ports for the purpose of testing products for export, the purpose being to raise the standard and prevent adulteration. Mr. E. T. Byrne, who spoke on behalf of British commercial interests, declared his conviction that China would have no difficulty in obtaining foreign capital as soon as conditions became more stabilized.

THE AMERICAN AIRPLANE IN CHINA

SEVERAL YEARS ago the State Department ruled that an airplane was an implement of war, hence as a result of this ruling no American planes could be brought into China. The general result has been that practically no American airplanes have, until quite recently when the State Department ban was removed, been imported into this country. French, Italian, German and British planes have had practically a free field. That any American planes have been imported into China at all has been due indirectly to one Col. Charles A. Lindbergh who flew across the Atlantic Ocean and thereby achieved world-wide fame for himself and his plane, the "Spirit of St. Louis." Down in Canton there was a young Chinese flying officer named Chang Wei-chang who had received his aviation experience in the United States. Mr. Chang wanted to get an American plane similar to Lindbergh's "Spirit of St. Louis," but the State Department said "No," emphatically. But it seems that Mr. Chang, now General Chang was not to be put off. He approached one of the officials of Mr. Hoover's department of the U. S. Government and tried again. After considerable cabling back and forth through the office of the American Consul at Canton, the thing was fixed up with the State Department, and Gen. Chang placed an order for a duplicate of Lindbergh's plane, the whole business transaction being done from an illustrated catalogue of the Ryan-Mahoney Airplane Manufacturing Company which had in some way found its way to China. Finally the plane arrived, was named the "Spirit of Canton," and was assembled by Gen. Chang and a fellow flying officer who had also received some flying experience in the United States. When the "Spirit of Canton" had been tuned-up Gen. Chang and two associates hopped in and without any further preliminaries flew to Hankow, a distance of some 600 miles. Then they flew to Nanking and greeted the officials of the National Government, following which they went to Peiping, Mukden, thence back to Tientsin, Shanghai and to Canton, a distance of more than 6,000 miles without a mishap and thereby gained everlasting renown in China as the pioneers of commercial aviation in this country. On the strength of the advertising which Gen. Chang received for his "Spirit of Canton," the Chinese authorities at Hankow have ordered five more. They arrived a few days ago through the agency of L. E. Gale and Company, an enterprising American firm in Hankow, and soon are to be placed in commission between Canton and Shanghai. It's a sorry statement to make but true nevertheless that there wasn't a single American firm in Shanghai with sufficient enterprise or forethought to bring a single American airplane to China for demonstration purposes—and this in the face of active British, German and French competition. Now, however, the Gale Company is opening an office here so that something will be done to introduce the American airplane along with the American motorcar and a few other things which the Chinese people have evinced a desire to possess.

IT IS IMPORTANT that China should get in touch with aeronautical development in the United States because experts forecast that it will not be long before the American plane will occupy a position similar to the American motorcar. Owing to the primitive conditions affecting transportation and communication in China, the modern airplane should have little trouble in performing a needed service in the transport of mail and passengers. It should also occupy a premier position in the country's plans for national defence. Even though the money was available, it would require China a half century or more to develop a fleet capable of coping with the Japanese fleet, which ranks third in the world's navies, but China can quickly develop an air-fleet at comparatively moderate cost because the Chinese seem to take readily to flying—much more readily than do the Japanese. With a few well-located air-bases and a corps of trained aviators equipped with modern planes, the Chinese could shortly cease worrying about Japanese fleets swooping down on their coast cities and landing troops. To refer back to the rapid development which is now taking place in aviation in the United States, the December 22 issue of the *Army and Navy Register* gives details regarding the refuelling and endurance flight of the "Question Mark," the airplane which remained in the air over Los Angeles early this month for more than six days in continuous flight, thereby breaking all records in this

respect for all classes of flying machines. The test-flight of the Los Angeles plane, which was appropriately named the "Question Mark" was conducted under the auspices of the War Department of the U. S. Government. The "Question Mark" was occupied by five army officers and was equipped with sleeping berths, kitchenette, etc. There were two so-called re-fuelling planes which took turns in carrying fuel and food to the men who were operating the "Question Mark." When the endurance plane finally landed after being in the air for more than six days, it was found to have suffered only slight wear and tear from its gruelling experience, certainly a high testimonial to the skill of the builders and the quality of the engine, not to mention the endurance of the aviators. The plane was an Atlantic C-2 Army transport monoplane with a wing-span of 71 feet and was equipped with three J-5 aircooled engines, each of which generates 220 horsepower, with a cruising speed of 115 miles an hour. It carried, in addition to other equipment, a complete radio telephone which enabled the operators to keep in constant communication with the re-fuelling planes and the ground. Prior to its starting on the endurance flight on Jan. 1 the "Question Mark" flew across the continent from Bolling Field, Washington, D. C. to Los. Angeles.

SOMETHING OUGHT TO BE DONE ABOUT PEIPING'S NEWS

THE NATIONAL Government ought to either establish an office in Peiping for the purpose of supplying accurate information to the newspaper correspondents who are still hanging about the old Legation Quarter, or it should establish some kind of a censorship to prevent cabling of misinformation to newspapers abroad. The subject was suggested by reading a long cabled article in a recent copy of a New York newspaper which stated that Marshal Wu Pei-fu was marching down the Yangtsze at the head of an army of a half million men for the purpose of sweeping the Nationalists into the Yellow Sea and moving the capital back to Peiping. Then another American newspaper had a story alleging that Marshal Feng Yu-hsiang was secretly constructing several factories in Shansi Province for the manufacture of poison war-gas, his object being to kill off the other generals and dominate the country under a dictatorship of his own making. And now on top of these prize stories is a report in a Chicago newspaper that Mr. Michael Borodin, the former Russian adviser to the Hankow Government is now in Szechuen Province "accompanied by Russian leaders with a large Moslem following," their object apparently being to start another revolution for the purpose of ousting the National Government. To take up these stories in proper order, Gen. Wu Pei-fu, the former Northern militarist *is* in Szechuen Province, but instead of marching down the Yangtsze at the head of a large army, he is living in a Chinese Buddhist monastery in extreme poverty without sufficient money to employ a body-guard. As for the next report about Marshal Feng's alleged war-gas plants, this was referred to the Marshal's headquarters in Nanking and officially denied; furthermore Marshal Feng offered to provide an escort for anyone who wished to go to Shensi province to inspect the fictitious factories. Regarding the last report alleging Mr. Borodin's presence in Szechuen, this is the worst of all, for Borodin is in Moscow and has been in Moscow almost continuously since he was kicked out of Hankow more than a year ago. He has been living quietly in a hotel devoting his attention to writing articles in Russian newspapers and magazines. Several months ago there was a report that Borodin was in Mongolia stirring up trouble, this report also coming from Peiping. To settle the question a Shanghai newspaper cabled to one of the foreign newspaper correspondents in Moscow and immediately received a reply stating that Borodin was in Moscow and had only been out of Moscow for a short trip to the Caucusus mountains for his health since returning from China. Since the failture of Borodin's plans in China two years ago, he has almost completly lost his political influence in Russia and as far as China is concerned, the faction with which he he was affiliated has been completely driven out of power. And before leaving the subject, mention must be made of still another newspaper report from Peiping alleging that all the stories about famines in North China were exaggerated and that only five percent of the people were suffering from actual famine and stating further that "one of the Peiping Legations" was authority for the statement that no famine relief funds could be dispensed except to actual victims of famine. The suggestion apparently was that dispensers of famine relief should go about the country and ask famine victims whether their destitution was due to actual famine or to banditry and in the event the trouble was due to anything other than natural causes that relief was to be refused! The trouble with the news situation in Peiping is that there is very little news there since the transfer of the Government to Nanking. The result is that the correspondents go around to the Legations and pick up a lot of mis-information and then they go around to the Peiping Club and swap their mis-information over a few drinks of bad liquor. The result is a lot of wild cables to the home newspapers which have little basis in fact and which probably do considerable harm in misleading people regarding what is actually happening in China. Furthermore they are making it most difficult for the leaders of the National Government who are striving to bring order to the country, and especially difficult for well-wishers of China in America and Europe, who are trying to assist China in every way possible to unify the country and enable the National Government to strengthen its position.

THE WRONG WAY TO SETTLE INCIDENTS!

EARLY LAST December a Chinese coolie in Hankow was knocked down by a motor-cycle driven by a Japanese marine. The coolie died shortly afterwards, there being no question of his death being caused by the motor-cycle because a number of reputable physicians conducted an autopsy. The Chinese immediately demanded an indemnity covering the funeral expenses, compensation for the family of the dead man and punishment of the marine who was driving the cycle. The amount of money which the Chinese demanded was $3,000, certainly not an exorbitant charge. But the Japanese refused to pay and as a direct result Hankow has been in an uproar since that time with the Japanese concession entirely surrounded by Chinese strike-pickets and trade is at a standstill. In addition all Japanese factories and shipping have been shut down with Japanese goods boycotted. The Japanese have sent six gunboats and one crusier to Hankow and have landed marines, which actions have still further angered the Chinese, so that the situation apparently has become deadlocked and anything may happen. Japanese trade losses undoubtedly have run into the millions of dollars, which causes one to wonder what benefit is

gained by adopting such methods. For several years following the Washington Conference when Japan was following a so-called "friendship" policy toward China, the Tokyo Government followed a different method in settling such incidents. In 1925 the strike troubles at Shanghai really started in the Japanese cotton mills as a result of the killing of a Chinese mill-worker by Japanese guards, but the Japanese quietly settled the trouble by paying an indemnity and nothing serious happened. But since the Tanaka military clique came into power in Japan and a "strong" policy has been the order of the day, Japan has settled nothing. China has always been in the wrong and rather than pay any indemnities or "lose face" Japan has paraded out the gunboats and marines and attempted to ride rough-shod over the Chinese people. The general results have been entirely on the negative side of the ledger for the Chinese have steadily resisted the Japanese everywhere and Japan has lost tremendously in both prestige and trade. In these days of political excitement and racial antagonisms in China, the Chinese are likely to be unreasonable in their demands, but even granting this, it is difficult to see just where the Japanese have gained by using the strong-arm, mailed-fist method of settling their troubles!

REPORTED NEGOTIATIONS OVER CHINESE-EASTERN R. R.

THE CHINESE-EASTERN Railway is a joint Chinese-Russian enterprise running in a southeasterly, northwesterly direction across Manchuria, its western terminus at Manchouli connecting with the Russian main line to Moscow, while its eastern terminus at Pogranitchnaya, connects with the Ussuri Railway with its eastern terminus at Vladivostok. From the center of the line at Harbin a branch runs south to Changchun where it connects with the Japanese Government-owned South Manchuria line. The main line of the Chinese-Eastern Railway is 930 miles long while the branch from Harbin to Changchun is 149 miles in length. The Chinese-Eastern Railway was constructed originally by the old Czarist Government with money borrowed in France. In their first fit of generosity in renouncing all of the old Russian imperialistic interests in the Far East the Soviet Government, immediately following the Russian revolution, sent a telegram to the Chinese Government offering to return the Chinese-Eastern Railway to China, but later on after the U.S.S.R. began to get its feet on the ground, it decided to retain an interest in the road. In 1924 China and the Soviet came to an understanding whereby the railway was in future to be jointly-owned and managed. Sometime ago the Chinese in Harbin seized the telephone exchange belonging to the Chinese-Eastern Railway and since have assumed control of the telephone system, which has been responsible for a flock of rumors pertaining to Chinese plans for seizing the entire Chinese-Eastern Railway and driving the Russians out. This report in turn has been responsible for still another crop of rumors of alleged negotiations for the sale of the Russian half interest in the Chinese-Eastern to French, American or Japanese interests. The French have denied the report that they were negotiating for the purchase of the Russian portion of the Chinese-Eastern line, and while nothing has been stated regarding similar allegations on the part of the Americans and Japanese, the chances are that there is nothing to it, because Russia could not dispose of her interest without consulting her Chinese partner. Due to their half-control of the railroad the Chinese hold the trump card and naturally would not permit the Russians to dispose of their interests without China's consent and it is extremely doubtful whether China would permit any other foreign country to acquire the Russian portion of the line. While the Chinese seizure of the Harbin telephone exchange was directly responsible for the other rumors pertaining to the alleged sale of the Russian portion of the Chinese-Eastern Railway, it has also been suggested that the propaganda may have emanated from Japanese sources, due to the fact that Japan has been casting about for an ally since both America and Britain have failed her. She may now be trying to flirt with the U. S. S. R. While the Soviet was once minded to turn the Chinese-Eastern Railway back to the Chinese, there is little chance that the present rulers of Moscow would be so generous. If they felt sure that the Chinese could maintain control of the road independently there is a possibility that they might agree to negotiate, because in accordance with the terms of their latest treaty with China on the subject, the Chinese have the right to purchase the road about 1935. But due to the fear that China's acquisition of the road might ultimately lead to Japanese control, the Russians are not likely to look kindly upon the Chinese acquiring control at this time. The rivalries of Japan and Soviet Russia in Manchuria will continue just as long as the Chinese are not strong enough to control their own household in that area. When the Chinese reach the point where they are strong enough to protect their own interests in the Three Eastern Provinces of Kirin, Fengtien and Heilungkiang, the so-called Manchurian problems will melt into thin air!

ANOTHER PHASE OF THE "LAND-CLAUSE"

IN VIEW of the criticism which has been made in China over the so-called "land-ownership" clause which has been inserted in recent treaties between China and Italy, Belgium and Spain, which grants citizens of these countries the right to own land in China in exchange for similar privileges granted to Chinese citizens in Belgium, Italy and Spain, it is interesting to note that resolutions approving of these treaties are reported to have been received in Nanking from several influential Chinese communities abroad. There are approximately 12,000,000 Chinese residing abroad in foreign countries and in most cases they have the right to own land and in practically all countries they have the right of domicile. In America, Canada and Australia there are restrictions against the admission of Chinese laborers, but even in these countries Chinese who have been legally admitted, have the right to own land. In America certain of the states have passed laws preventing the ownership of land by subjects of Oriental countries, but here again this does not interfere with the right of domicile for those whose residence is permitted by law. The chief objection against the land-ownership clause which has been raised in China has been inspired by a fear that the provision in the Belgian, Italian and Spanish treaties will provide a precedent for the consolidation of Japan's position in Manchuria. The right to own land in China's Three Eastern Provinces of Fengtien, Kirin and Heilungkiang, constituted one of the demands which Japan made upon China in 1915, but China has steadily resisted the Japanese pressure in this regard. Therefore it is but natural that many Chinese should be apprehensive on this question at

this time, feeling that should such a clause be inserted in the Sino-Japanese Commercial treaty, that it would tend to establish Japan's position in Manchuria. Although there has been no definite announcement of the National Government's intentions in regard to this question, it has been reported that the Legislative Council has under consideration the drafting of a national law on the subject of land-ownership by foreigners which will place certain restrictions upon foreigners in this regard, even though the right to own land is provided in the treaties. The best way out of the question would seem to be along the lines of a reciprocal provision in which countries which grant the Chinese the right to own land, would be granted similar rights in China for their citizens. There is very little basis for the fear that foreigners, because of their stronger financial power would be able to take advantage of the right to own land in China while the Chinese would not be able to take advantage of a similar right in foreign countries. As stated at the beginning of this paragraph, there are many sections of the globe where Chinese emigrants have practically monopolized domestic trade and have acquired vast tracts of land, particularly in the Straits Settlements, Siam and the Philippines.

"PIONEER TOBACCO MERCHANT IN THE FAR EAST"

Under the above title, James A. Thomas, now living in retirement in the United States, who was the organizer of the British-American Tobacco Company in China, has written a most interesting book, published by the Duke University Press, Durham, North Carolina. Mr. Thomas was born in North Carolina, as were his father and grandfather, the whole family having been steeped in the tradition of tobacco in the state which now leads all others in the United States in the production of the "weed." Mr. Thomas's grandfather peddled tobacco through the southern states from a cotton canvas-covered two-mule wagon and his grandson followed in his grandsire's footsteps except that he very much improved on his progenitor's methods. Mr. Thomas made his first acquaintance with the Far East in 1897, when he came out here in the service of Liggett and Myers. After spending several months in Japan, he came over to China, and continued on an investigation tour through the Philippine Islands, the Malay States, Siam, Burmah and India. In 1900 he was sent to Singapore as the manager of the American Tobacco Co. in the Straits Settlements, and the following year became manager in India. When the American and British tobacco interests joined hands to form the British-American Tobacco Co., Ltd., he continued as manager in India until 1904. He came to Shanghai in 1905 as the manager in China and remained here until 1916 when he was transferred to the London office. He returned here later in the same year, and continued with the B. A. T. until 1923, when he was released to organize the Chinese-American Bank of Commerce. Mr. Thomas has a rare gift of humor and the record of his experiences may well serve as a *vade mecum* for any young man who has ambitions to become a merchant prince in the Far East. The anecdote which he tells of how "Jim" (his Chinese servant) and he went to Manchuria during the Russo-Japanese war period to see a Chinese merchant who had buried under his house thirty thousand dollars, which was due the company, is an exceptionally good one. Even a cursory perusal of the book shows that Mr. Thomas has a much better appreciation of actual conditions and tendencies in this part of the world than most other Westerners have. He says, for instance: "The people of the United States should continue to foster friendly relations with China, for I believe that country is going to make more progress in the next twenty-five years than Russia or Japan has made in the past twenty-five... In dealing with the reconstruction of a nation, or any big questions in fact, I believe that better results are obtained if the chief participants tell what is being done. If some one else tells the story, it frequently gives rise to a misundertanding. Facts are so distorted that the people imagine that they are not being treated fairly. China to-day seems hopelessly divided, but I believe the Chinese would rise to a man should any outsider threaten the integrity of their country." And since those words have been written much progress has been made towards unification.

Will China and Japan Succeed This Time?

DESPITE the fog of conflicting newspaper reports and propaganda, the prospects seem brighter for an understanding between China and Japan than they have been since the negotiations first started between the two countries several months ago. The encouraging factor in the situation is based largely on the changed attitude of the Tanaka Government which is indicated in the decision to send Mr. Yoshizawa, Japanese Minister, to Nanking for the purpose discussing outstanding diplomatic problems. Mr. Yoshizawa was still in Shanghai at the time these paragraphs were written, but according to reports from Tokyo he has been empowered to open negotiations with Nanking on the question of the evacuation of Japanese troops from Shantung. As for the tariff question, the two Governments apparently have reached some kind of an understanding whereby Japan will not attempt to raise objections to the increased tariff rates which become effective on February 1. There also seems to be a possibility that China and Japan may settle down to an earnest consideration of the question of a new commercial treaty to replace the treaty which expired in 1926. As for the so-called Manchurian questions, they are still no nearer settlement than they have been for the past half-dozen years, but with the other questions out of the way and the political situation in China stablilized there is no particular reason for pessimism on that score either.

The real reason for the improved atmosphere is due to pressure, both internal and external, which has forced the Tanaka Government to change its attitude. The visit of Mr. Tokonami, the head of the Tokyo Shinto Club, to China did not help Tanaka's position, for while Mr. Tokonami does not possess much political power in Japan, his report regarding actual conditions in China had the effect of strengthening the position of the opposition political elements which have been attacking Tanaka for his China policy. Shortly following Mr. Tokonami's return to Tokyo he held a conference with Prince Saionji, one of the Elder Statesmen, and the result was that Prince Saionji in turn gave General-Baron Tanaka some straight advice, shortly following which Mr. Yoshizawa was sent to China to attempt to reach an understanding. Then, of course, there has been the matter of external pressure resulting from Japan's position of isolation. The Tanaka Government has been talking

bravely for many months regarding its independent "strong" China policy, but after all of the other Powers had negotiated new tariff treaties with China, there wasn't much left to Japan's "strong" policy except talk. Japan did her best to stand alone and bring the other Powers to her point of view, but first America broke away and negotiated a settlement of the Nanking incident, which action was quickly followed by the tariff treaty and recognition. Then came the British treaty and formal recognition and likewise the other treaties. The actions of America, Britain, Germany, France and the other Powers in recognizing the Nationalists so strengthened the position and prestige of Nanking that Japan was placed in an unenviable position which she was not sufficiently strong to continue. The result has been a change in the attitude of the Tokyo Government, a grudging change, but nevertheless a change, which may, as stated in the foregoing result in the reaching of an understanding on the more pressing diplomatic problems.

General-Baron Tanaka could not afford to go before the present session of the Diet and report no results in the settlement of questions adversely affecting Japan's relations with China, for while it has never been known for a government to fall in Japan because of some foreign diplomatic question, the political situation in Japan is entirely too unsettled for the Tanaka military clique to risk a fight. Tanaka's so-called "strong" policy has been based on the proposition that Japan would not consent to tariff autonomy until China had agreed to a recognition of the Nishihara loans and also to Japan's railway program in Manchuria. As for the Shantung question, Tanaka was determined to obtain what he called "guarantees," apparently meaning by this an extension of Japanese interests in Shantung, before he would consent to an evacuation of the Japanese troops from that area. The Japanese troops were sent into Shantung last year for the purpose of blocking the Nationalist advance on Peiping and when they failed on this objective, Tanaka determined to keep the soldiers in Shantung in the hope of forcing the Chinese to come to terms. The continued blocking of the Tientsin-Pukow Railway was done in the hope of causing a split in the Nationalist camp. But every step which Japan has taken has resulted in failure. The killing of Marshal Chang Tso-ling, the recent Hankow complications and finally the killing of Gen. Yang Yu-ting in Mukden. Everything has gone against Japan; her situation in China has gone from bad to worse from a diplomatic standpoint and added to that has been the boycott which has wrought disaster to Japan's trade in this country. As for the attempt to force a recognition of the Nishihara loans, this has likewise resulted in failure because Nanking's statement on this question issued on Jan. 21 showed unmistakably that China has no intentions whatever of recognizing these loans and that Japan's legitimate loans to this country will have to go into the same pot with China's obligations to other countries and will have to be unscrambled at the same time and in similar manner. No one knows what China's intentions are in regard to her defaulted foreign debts but present indications point toward an attempt at refunding operations through a foreign loan floated in the United States and Europe. Certainly no intelligent Chinese official would take any action now that would have the effect of placing Japan in control of China's finances through recognition of the Nishihara loans.

As stated, there is little prospect of the Tanaka Government falling because of its failure in its China policy, but on the other hand there is little question but what the failure in its China policy will sooner or later react against the Tanaka Government and force a resignation, possibly over some minor domestic question in Japanese politics. As for the China side of the story, the National leaders have made Japan's path somewhat easier by recently taking definite steps to improve their political situation in Shantung in order to facilitate the evacuation of the Japanese troops. Nanking's action is voting to set aside the sum of $5,000,000 from this year's increased Customs receipts for the purpose of beginning interest payments on defaulted domestic and foreign loans, has also provided the Tanaka Government with propaganda ammunition for trying to make the Japanese people believe that China has recognized the Nishihara loans. China has not, of course, done any such thing. but if the Japanese Government wants to make its own people believe that China has agreed to recognize these loans, there probably will be no harm to China if Baron Tanaka wants to spread this information at home to bolster up his own position. As for the Manchurian questions, they are, as stated, still up in the air, but the hoisting of the National flag throughout the Three Eastern Provinces, the action of the Mukden Government in taking steps to join Nanking and finally the decision to transfer all diplomatic questions to the Nanking Foreign Ministry for future negotiations, have all tended to strengthen the Nationalist position in Manchuria and have at the same time enhanced the prestige of the Nationalists throughout the country. This will all help tremendously when the time arrives for a show-down with Japan on the Manchurian issues, but that is something for the future!

While the prospects for a settlement of some of the outstanding Sino-Japancse complications seem more favorable than at any time in the past, as indicated in the foregoing, it is always well to keep in mind the element of domestic politics in Japan. In past negotiations which Japan has started with the National Government, it has always developed that Japan was not sincere in her protestations of a desire to reach an understanding. Since the element of a China policy always constitutes a major domestic political question in Japan, General-Baron Tanaka has often been forced to initiate negotiations with China for the purpose of leading the Japanese people and the world generally to believe that he was desirous of reaching an understanding. Proof of this has been provided in the constant procession of officials who have been sent to Nanking to "discuss the situation," but none of whom has been provided with credentials for signing an agreement. Mr. Yoshizawa, the present Japanese delegate is said to have credentials, but if one would judge from the published statements of General Baron Tanaka in recent political conferences in Japan, there has been little change in Tokyo's attitude except what has been necessary to meet the situation at the opening of the Diet. According to a report of an address delivered at a conference of members of the Seiyukai (Government Party) held in Tokyo on Jan. 16, Tanaka declared that there had been no change in Japanese policy; that Japanese troops would never be withdrawn from Shantung unless Japan was assured of China's guarantees for the protection of Japanese lives and property in that area; that the railway question in Manchuria would be negotiated with the Mukden authorities despite the statements of the Nationalist officials in Nanking that negotiations were to be transferred to the National Capital.

The fact that the Japanese Diet is now in session

naturally has a bearing on the situation because this offers abundant opportunity for the opposition leaders in Japan to attack the Government for its failures. According to a report appearing in the *Japan Chronicle* on Jan. 18, a faction in the House of Peers, known as the "Dowaki" had held a meeting and passed resolutions dealing with the "dangerous course" of Japan's relations with China and recommending that the whole matter should be brought up for public discussion, something which the Government apparently has been trying to prevent. One question in particular which the opposition politicians have been trying to bring up is the killing of Marshal Chang Tso-ling last year. The fact that Marshal Changs's train was blown up, through the connivance, at least, of the Japanese has been established and is now quite generally known in Japan despite the rigorous censorship which has been maintained. Opposition political leaders in Japan have for a considerable time been laying their plans for airing "a certain grave incident in Manchuria last summer" in the Diet, but according to a report from Tokyo on Jan. 22, pressure had brought to bear on the agitators and it had been decided not to bring up the question "owing to grave international consequences" which might result from such action. The recent coup d'etat in Mukden, resulting in the killing of Generals Yang Yu-ting and Chang Ying-hui, has also had a disturbing effect in Japan, General-Baron Tanaka being responsible for the statement that Gen. Yang's death would embarrass the consummation of Japan's railway program in the Three Eastern Provinces. Whether this statement was inspired by the fact that Japan had been conducting secret negotiations with the Yang Yu-ting faction or whether General-Baron Tanaka feared that the passing of Gen. Yang would strengthen the position of the Nationalists in Manchuria, is difficult to say; but that Tanaka was sorry to see Gen. Yang pass out of the picture is obvious.

Japanese Budget Provides Expenditure of G. $250,000,000 for Army and Navy

(*Associated Press Dispatch in Chicago Tribune*)

Tokio, Dec. 20.—The largest budget in the history of Japan was announced today by the government. It will be presented at the coming diet, which will hold its first regular session on Dec. 24.

The budget for the fiscal year 1929 '30 totals about $876,380,000, representing an increase over the current year of $21,850,000. The budget for the navy calls for $134,000,000 an increase of $2,800,000, and for the army $116,000,000 an increase of $3,850,000.

Expect Bitter Debates

The Diet is the first national parliament elected under Japan's new manhood suffrage law. Bitter political conflict is expected to center on the empire's relations with China and, on domestic tax issues.

Some political observers believe the life of Premier Baron Tanaka's cabinet, which has been in power since April, 1927, will depend on its ability to weather this storm without defeat on any major question. The government enters the conflict with a small numerical advantage in the house of representatives over its avowed opposition, but the margin is so slight that a ministerial defeat is always possible.

Fifty-sixth Imperial Diet

This is the fifty-sixth session of the imperial diet, as the parliament is called, since its foundation in 1890. The present house of representatives was elected on Feb. 21, 1928, in the first universal manhood suffrage election. Under the new law, promulgated in 1925, all male Japanese of 25 or over may vote, making the total electorate 12,000,000, as against 3,000,000 under the old restricted franchise law.

The newly elected legislature already has met once, but only in brief extraordinary session last spring to vote funds for the emperor's enthronement.

American Express Company Offers Reward For Missing Clerk

The American Express Company in Shanghai is advertising in the local Chinese newspapers offering a reward of $5,000 for the arrest, or $2,500 for information leading to the arrest of Chen Ping-tsao, a Chinese clerk formerly employed by the Company. The advertisement states that the clerk was also known by the name of "Chen Tse-hsun," that he was a native of Canton, 31 years of age, was born in Shanghai and wore foreign clothes. It is alleged that he embezzled a "large" sum of money and that anyone responsible for finding him will be handsomely rewarded.

The officials of the American Express Company refuse to discuss the question, but according to report the defalcation was discovered last October or November when C. H. Benson, Far Eastern Manager arrived here from Hongkong for the purpose of conducting an audit. It is stated that the Chinese clerk disappeared shortly after Mr. Benson's arrival, following which an audit was made and it was discovered that a large sum of money was missing, the clerk having used the funds of the Company for promoting local business enterprises.

According to the report which the American Express Company submitted to the police, the sum of money missing is stated to be "from $40,000 to $100,000," but now it is stated the sum is considerably larger, possibly running to $200,000 Chinese curaency.

American Players Score Success in "Trial of Mary Dugan"

The American Players of Shanghai have added another success to their list of achievements by producing "The Trial o Mary Dugan" before crowded houses during this and last week. The part of "Mary Dugan" of the Follies was taken by Mrs. Walter Kelly, other female participants being: Mrs. Gardner Crane, Mrs, S. C. Kingsbury, Miss Grace Haimovitch Mrs. Helen Campbell, Miss Vera Gensburger, Mrs. S. G. Kirkland, Mrs. R. J. Moore, Mrs. Verne Clair and Mrs. Carl Crow. The male participants in the play were H. E. Fairbairn, Lt. R, Skinner, U.S.M.C., B. F. Littleton, U.S.M.C., G. F. Felt, U.S.M.C., L. W. Chamberlain, W. Howens, H. S. Staley, N. F. Allman, K. M. Pate, H. S. Carey, S. C. Kingsbury, J. G. Riddick, E. A. Lawton, F. C. Jordan, K. Fawcett, Sgt. N. B. Hazeltine, U.S.M.C., Gardner Crane, H. Bland, L. Riggio, Craighill Brown, L. R. Shinazi, H. V. Barnard and Dr. C. P. Rakusen. "The Trial of Mary Dugan" is a melodrama in three acts by Bayard Veiller. The scene of the play is laid in Part 31 of the Supreme Court of New York City. The threatre, auditorium and stage are the courtroom. The audience is the jury.

The play is unique and requires expert handling. The American Players acquitted themselves very creditably. The verdict of the audiences was that it was a fine play, well acted.

Germans Supply Steel for Yellow River Bridge

The contract for supplying permanent repairs for the Tientsin-Pukow Railway bridge across the Yellow River near Tsinan, has been awarded to German firms, according to a *Toho* news agency report from Peiping on Jan 21, which stated that the materials were expected in China shortly in order to enable the completion of repairs before August of this year when the rise in the Yellow River will prevent further work being done. The temporary repairs which will permit trains to cross the bridge, have now been completed, according to the foregoing news report. Chinese officials and the foreign consuls in Tsinan inspected the bridge on Jan. 20 and stated that the bridge will be safe for heavy trains providing they proceed slowly.

Charles R. Crane's Party Is Ambushed in Iraq

Advices from Iraq (Mesopotamia) during the week stated that a companion of Charles R Crane, former American Minister to China, was shot dead while the party was travelling from Koweit to Basrah. Mr. Crane's activities in the Near East seem always to provide excitement. Five years ago a telegram from Paris announced that he had been sentenced to a long term of imprisonment in Syria owing to "subversive" activities there. This information proved incorrect, but it was a fact that a prominent Syrian who had been travelling with Mr. Crane in Syria several weeks previouly had received such a sentence.

American Planes Will Dominate World Market, Says L. E. Gale

In America and Europe there is generally a belief that it will be only a matter of a few years before American planes are as dominant in world aircraft markets as American motor vehicles now are in the automotive field. Aviation authorities of both continents expect eventual American leadership of the industry. This, according to Mr. L. E. Gale, president of the L E Gale Company, of Hankow and Shanghai, recently appointed sole agents in China for the Ryan Monoplane, and all other products manufactured by the Mahoney Aircraft Corporation, of America. In airdom, the name Ryan is perhaps the most famous, largely as a result of the international publicity given to the *Spirit of St. Louis*, a Ryan monoplane in which Colonel Lindbergh made his immortal conquest of the Atlantic.

Mr. Lloyd E. Gale

Mr Gale elaborated, in an interview with a representative of the *Review*, on the interesting prognostication noted above. He said.

"The development of the aircraft industry closely parallels the growth of automobile manufacturing. For the same reasons that America has attained world supremacy in the latter she soon will establish definite leadership in the manufacture and sale of airplanes. Greater resources and superior facilities for manufacture and merchandising will be responsible for the gradual elimination of serious competition from other countries.

"Already more airplanes are in use in the United States than in any other country. Most of these are domestic products, although numbers of them are made in America under the supervision of foreigners. The Fokker plane is an outstanding example of this. Fokker is a German and it was in his own country that he became famous as a pioneer in the aviation industry. But when commercial flying began, and with it the future of aviation opened up, Fokker realized the tremendous advantages offered by American manufacture. So he now produces most of his machines there. Today he is becoming a naturalized citizen of the United States.

"It is this magnetism of American resources that as much as anything else assures dominance in the aviation industry for the United States. Always it robs other countries of their industrial leaders."

Mr Gale said that here in the East men who understand trends in aeronautics hold the same opinion as that of airmen in Europe and America. This is evidenced, he pointed out, by the recent purchases in China of Ryan monoplanes.

Hankow-Canton Line To Use Ryan Planes

"The two most important developments that have occurred here," said Mr. Gale, "in the way of advancement of aviation, were accomplished with Ryan planes playing the leading role One was the remarkably successful cross-country flight of the *Spirit of Canton*, piloted by General Chang Hui Chang The other is found in the recent purchase of five Ryan monoplanes for use in establishing the first regular air mail and passenger service in China. The Wuhan Civil Aviation Association are backers of this enterprise, which will be an airline from Hankow to Canton, a distance of about 700 miles.

"It is expected that the Hankow-Canton service will begin to operate about March 1, this year. Earl F. Baskey, veteran U. S. army pilot, formerly a squadon commander with the American forces during the World War and now associated with the Mahoney Aircraft Corporation, will proceed to Hankow, there to direct the assembling of the planes Later he will train the pilots who are to operate the service Baskey is a close personal friend of Colonel Lindbergh

"The Ryan monoplanes purchased by the Wuhan Association cost approximately $135,000—about $27,000 apiece. All of them are equipped with the dependable Wright Whirlwind motors, duplicates of the one which powered Lindy's *Spirit of St. Louis*."

Will commercial air transport companies succeed in China? Mr. Gale doesn't think there's important reason why they should not. He discussed the possibilities, briefly:

"It is true, of course, that ubiquitous use of air transportation will be long in the attainment One cannot change a nation from a wheelbarrow to an airplane in a day. But I am convinced that there are enough men in China, sufficiently modern, and whose time is valuable enough, to warrant their patronizing such services.

Predicts Success For Commercial Aviation in China

"When you consider how tremendously distances may be reduced, how important a saving of time can be made, and the comfort and convenience of flying as compared with the rude transportation available throughout most of China, it seems highly probable that a goodly number of patrons will be found for the passenger air lines."

Mr. Earl F. Baskey

Mr. Gale cited a few examples: "It now takes four days to journey by boat from Hankow to Shanghai. The fare is $66. The same trip can be made in an airplane, at a moderate cruising speed, in seven hours. When a Hankow-Shanghai line is established on an efficient basis, the airplane trip should not cost materially more than the river route. Even greater is the economy in time effected by an air itinerary from Hankow to Canton. This trip now requires about ten days by boat. The non-stop Hankow-Canton flight, under the new airline, will cover the distance in about seven hours! Other comparisons of railroad and steamship trips, with possible airlines covering the same routes, are equally as striking."

Besides being agents for the Ryan monoplane, the L. E. Gale Company are distributors for Dodge Brothers motor cars and for Graham trucks, in six middle country provinces of China. The company also act as sub-agents for Packard motor cars.

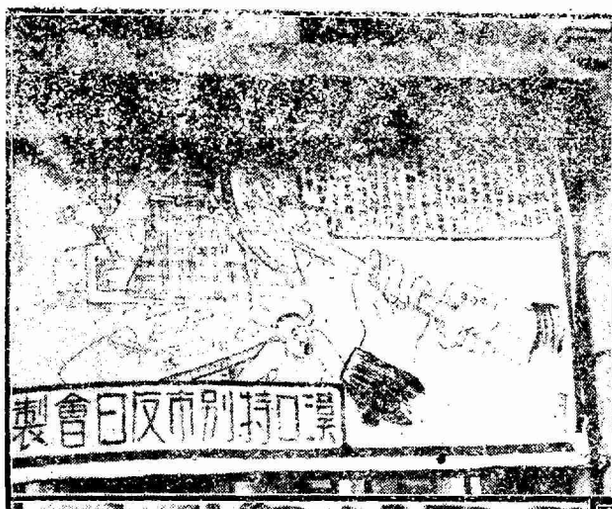
Mr. Gale first came to China in 1914, as a civil engineer with the Standard Oil Company Later he joined the American Trading Company, managing the Hankow branch for five years. When that organization closed its Hankow office Mr. Gale took over many of their principal agencies and began his own enterprise. Since then he has specialized in motor vehicles and he owns the finest motor car service station in the territory which his company now serves.

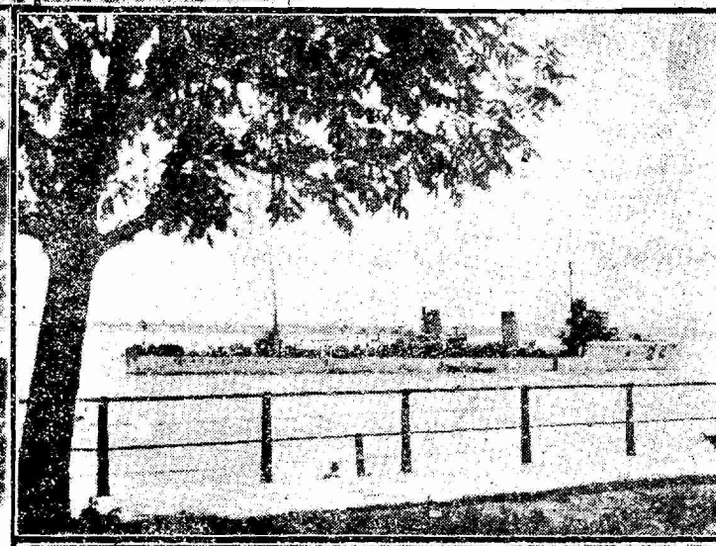
The Gale Company are the first in China to secure direct representation of an American airplane manufacturer. Until recently the American government restricted the sale of planes in this country, but with the lifting of these bans, originally placed in an effort to discourage civil war here, it is expected that many more American airplane manufactures will begin strongly to compete for the China business.

Appointments of Dr. C. C. Wu and Dr. Alfred Sze Confirmed

The National Government has confirmed the appointment of Dr. C. C. Wu, at present in the United States, as Chinese Minister to America, in succession to Dr. Alfred Sze, whose appointment as Chinese Minister to London has also been confirmed. The newly appointed Ministers will take over their new duties officially February 1.

THE SINO-JAPANESE DEADLOCK AT HANKOW





Due to the killing of a Chinese coolie by a Japanese motor-cyclist last December, the Chinese at Hankow have picketed the Japanese Concession at that city, causing the Japanese to land marines, resulting in a serious situation which has been in existence for several weeks.

Top Left—Anti-Japanese poster depicting the economic "enslavement" of China by the Japanese imperialists.

Top Right—Proclamation of the Anti-Japanese Strike Committee which resulted in all Chinese employes of Japanese firms going on strike and tieing up business in the Japanese Concession.

Center Left—A wooden cage used for confining and publicly exhibiting Chinese "traitors" for dealing in or buying Japanese goods.

Center Right—The Japanese now have one cruiser and seven gunboats stationed in the Yangtsze in front of their Hankow Concession while several hundred armed marines have been landed.

Above Left—A picture of Tsai Kung-hsi, the Chinese Commissioner of Foreign Affairs at Tsinan, Shantung, who was killed by the Japanese military at the time of the Tsinan incident last year.

Right—The Japanese drug-store, one of hundreds of Japanese shops in Hankow which have been forced to suspend business on account of the boycott.

Left Bottom—The Japanese have erected sand-bag barricades and barbed-wire entanglements entirely around their Concession.

Another Plea for the P. O. Juniors

To The Editor, *The China Weekly Review*:—

Having read "A Plea for the Junior Employees of the Postal Service" published in the *Review* No 7, I exprees my gratitude to your kind symbathy with the unfair treatment of the junior employees by their seniors. The said letter addressed by Mr Solon Yang reveals only an insignificant case of oppression and unequality. With four years' experience in the postal service, I feel quite justified to write out some defects in regard to promotion, assignment, treatment, and work of the junior employees, and it might not be inadequate to indicate the weak points of the newly-promulgated salary schedule by the Director-General of Posts under the Ministry of Communications of the National Government.

After the entrance examination duly qualified, the applicant of either Yu Wu-sheng (now Clerk B) or sorter (now Yu Wu-tsu) is to be assigned to a job by the Deputy Commissioner or the Supervisor. In case of good luck, he takes charge of slight and easy service, otherwise his responsibility is heavy and his work is difficult. The assignment of service is not based on the ability and learning of the employee, but at the disposal of the senior without any reasonable guidance. Sometimes the clerk's work is to be undertaken by sorter or Yu Wu-sheng (now Yu Wu-tsu and clerk B respectively) and the former might do slight and easy work with good pay. For instance, in the first year of the appointment to be Yu Wu-sheng, I was assigned to take the money order issuing service, in the Head Post Office, and now this job is assumed by a senior clerk of about $300 a month. Though the rate of salary is in proportion to 30, yet the duty is similar and the office-hours are the same.

Another defect which embarrasses the ambitious junior employees is the method of ascertaining the record of the employees in order to determine the time for promotion. According to the Postal compendium, there are three grades for promotion of the junior; that is, excellent service to be promoted every year; good, every 15 months; and average, every 18 months. It is indeed the best way to encourage the employees to take interest in their jobs, but the method of ascertaining the service of the employees is almost unscientific and sometimes partial. The records of the junior employees are to be reported by their senior or supervisor and to be rectified by the commissioner. The full power lies in the hand of the supervisor, and the Commissioner knows nothing about the junior employees except by resorting to the reports. And once the grade is detrmined, it would hardly be altered from lower to higher, or average to excellent and vice versa, as the employee is destined to be excellent, good, or average as the case may be. Many brilliant youths, owing to a few mistakes or errors in the first year of service, have been debarred from receiving their justified reward for their excellent or good service afterward.

A Disappointing System

The system of promotion by years of service disappoints the capable, skilled, alert, and learned junior employees. Mere experience does not show successful discharge of duties; and any piece of work can be satisfactorily accomplished or improved by knowledge, ability and experience combined. The Postal Administration promotes the employees step by step disregarding the special ability or extraordinary learning which some employees may possess. This system of promotion results in a conservative policy of postal administration and little or even no improvement can be achieved through the old-hand employees or the die-hard service.

The strike of postal Junior employees in Shanghai last year has hastened the promulgation of a new salary schedule and some revision of the old regulations. But evidently there are two weak points which are disadvantageous to to junior employees. I am discribing them roughly as follows:

1. The difference between the salary list of clerk B, (the former Yu Wu Sheng), and that of clerk A, is too great. The minimum rate of clerk B, is $40, and the maximum $130, while clerk A receives at least $150 a month and can be promoted to $500, a ratio almost 1:4. The increasing pay of clerk B under 1st class 6th grade is $5 each time, and above that grade is $10 and $15 while clerk A under 1st class, 6th grade receives $20 and $30 for each time as increasing pay, and above that grade he is entitled to be increased $40 at the time of promoting. It is true, clerk B can be promoted to clerk A, after passing an examination; but this is limited to clerks B above 1st class, 6th grade, not to every employee freely. If a college graduate, owing to no opportunity to be clerk A, is obliged to be appointed as clerk B, then he may have to pass seven years or more until he reaches the sixth grade of the first class or above, to take part in the examination for clerk A. Do you think that he will succeed as satisfactorily as when he has just left college? Assuming that he can pass the examination, and consequeutly be promoted to clerk A, what a heavy loss, both to the post office and himself for a learned and capable person to handle the service of the lower class for a half dozen or more years!

Avenues to Promotion Closed

2. The silent abrogation of the system to promote Tingcha, couriers, postmen, and sorters to higher ranks closes all the chances to the junior employee for success and achievement. Before the promulgation of the new regulation, many junior employees have deserved to be promoted to higher ranks for their painful studying and diligent service. The sender of this letter has a lot of friends who were sorters at the time of entering the post office, and now they are clerks A only by the way of examination. Unless this system be restored, the couriers, postman, sorters (now Yu Wu Tsu) will remain in the same position all their lives, in spite of their earnest desire and strong wish for success. The National Government has repeatedly announced that any public office should appoint employees by the guidance of learning and ability despite their birth or pecuniary conditions, and the Examination Department has been inaugurated to carry out the former's declarations. Why should the Post Office under the blue-sky and white-sun flag restrict the majortity of junior employees from participating in the examination for higher ranks?

The sender has no other purpose but a fervent wish for the Director General of Posts to take immediate steps to cut down the unfair treatment and to revise all the unreasonable and unscientific regulations—the most urgent step being to admit all junior employees, without any restriction, to join the examination for ranks.

A POSTMASTER

Chekiang Province, Jan. 19, 1929.

Japanese Journalist Favorably Impressed at Nanking

BY SHUNSABURO KOMURA

(*In the Osaka Mainichi,—Dec. 18*)

I visited Nanking with Mr. Takejiro Tokonami, leader of the Shinto Club, and the impression I obtained from my present visit to China is that the future of the National Government may be regarded with optimism.

It appears that the relations between General Chiang Kai-shek and General Feng Yu-hsiang are not so strained as is reported. and their unity is now rather strong. Grant ing that the combination of the Kwangsi faction. Mr. Hu Han-min and General Yen Hsi-shan, is substantial, their military strength is divided, aad these militarists are now reducing their armies according to General Chiang's command. They are now fully aware of the fact that the people abhor disturbances more now than at any time, and are eager for the restoration of complete peace. In these circumstances General Chiang's popularity is growing, and there may be no further disturbances in China for some time to come.

Whether the left wing of the Nationalists headed by Mr. Wang Chao-ming will oust the right wing headed by Mr. Hu Han-min at the third conference of the Nationalists in March next year is a question of the future, but even if the left wing gains ascendency warlike disturbances are not likely to occur, for General Chiang Kai-shek will be able to co-operate with the Leftists. This change in the situation in China should be carefully noted by the Japanese at large.

"Review of Tsingtao—1928-29"

The Foreign Affairs Department of the Administration of Kiao-Ao (Kiaochow) Commercial Port at Tsingtao, has recently published a Compendium (including two maps) which gives a very good idea, not only of the commercial development and possibilities of this former German stronghold, but a glimpse of the wonderful natural beauties and attractions of the finest location in China. Tsingtao has almost everything in its favor. It has a wonderful harbor, and the Germans deserve every credit for the modern facilities which are provided. Shantung is, in many parts, a very productive province and its peanuts and strawbraid are famous the world over. Its coal deposits are likewise valuable and mining operations are being constantly developed. As a holiday resort it can hardly be excelled. There are few places in the world where mountain and sea in such close juxtaposition offer such a feast for the eye. Its popularity as a summer resort, and particularly as a spring and autumn resort, is constantly growing. The city itself is the best built in China—also thanks to the Germans. The city has a great future before it and it is to be hoped that its political status will be definitely determined in the not distant future. Copies of the Compendium may be had by addressing the Kiaochow Administration at Tsingtao.

The Execution of Yang Yu-ting

Reuter's correspondent at Mukden, on January 18, supplied the following extract of the court files of the Supreme Military Court of the North-eastern province of China with reference to the trial and death sentences on Generals Yang Yu-ting and Chang Yin-huai.

THE JUDGMENT:

Charge: Yang Yu-ting, Lieutenant-General and Director of the Mukden Arsenal and Chuang Ying-huai, Lieutenant-General and ex-Civil Governor of Heilungkiang have openly disobeyed orders from their superiors, conspired to overthrow the Government and obstruct its policy. Since the 13th year of the Republic, all the civil wars have been provoked by defendants who opposed the late Marshal Chang Tso-ling's peaceful intentions and tried to prevent the unification of China. By refusing to return the five Hsiens east of Lanho to the Hopei Province, by refusing to return rolling stock belonging to all the railways in China to the Central Government and by refusing to withdraw Mukden troops east of Shanhaikwan, defendants did intend to stir up another civil war. The Central Assembly of the National Government will meet in Nanking in March this year; defendants have planned to use this occasion for provoking reactionary movements all over China; Yang did promise a certain communist to use his influence for making the Mukden Army take part in this movement and to be responsible for the supply of ammunition; Chuang did promise the same communist to use his influence for making the National Defence Army in Heilungkiang take part in the movement and to finance the undertaking from revenues from railways and telegraphs in Manchuria, furthermore he promised to use all the recently disbanded non-commissioned officers for the same purpose. In connection with this plot, defendants have also sent large funds to certain organizations in Europe.

In summing up; defendants have been largely responsible for the civil wars lately fought in China, and have by nefarious means tried to break up the peace and order of the North-Eastern Provinces and to overthrow the Central Government. Defendants have also used their official positions for embezzling funds from the Arsensal, the Railways and the telegraph; not only have they not remitted the sums due to the Government, but also drawn on the Government for paying the running expenses. The amount thus embezzled reach Mex. $200,000,000, as according to official records. Defendants have also compelled the late Governor Wang Yung-kiang to resign, provoked the rebellion of Kuo Sung-ling, disturbed the money market in Manchuria and prolonged the civil war in China. When summoned before the Political Council and charged with the above mentioned crimes, defendants failed to give satisfactory explanations and admitted their guilt. Therefore defendants were referred to the Supreme Military Court for trial.

DECISION:

The Court has deliberated upon the above charges against defendants and found defendants are both guilty of conspiracy against the National Government in co-operation with Communists and Bolsheviks, also guilty of obstructing the unification of China, and embezzlement of public funds. These crimes conjointly make defendants guilty of high treason according to the New Criminal code Section 101, clause 7; and also guilty of the same offence according to the Amended Military Criminal Code Section 27, clause 7. As according to the New Criminal Code high treason is punished by a death sentence, other charges are not considered.

Extract From New Criminal Code: Section 101, clause 1:—Anyone who intends to overthrow the existing government or to appropriate Government property or by other violent actions disturb the Constitution is considered guilty of high treason; chief Instigator is sentenced to capital punishment or to Imprisonment for life.)

Extract from Amended Military Criminal Code: Section 27, clause 7:—Anyone who intends to overthrow the government with the aid of Foreign Influence or who propagates communism or bolshevism or excites the public to disturb the peace and good order is punished by death sentence.)

SENTENCE:

Yang Yu-ting and Chuang Ying-huai are sentenced to capital punishment for high treason and co-operation with communists.

BY THE COURT:

High Assessors: Chang Hsiao-liang, Commander-in-Chief of North-Eastern Provinces; Chang Tso-hsiang, Commander-in-charge of Kirin Province; Chang Ching-huie, Chief Administrator of Harbin Special Area.

Judges: Yen Wen-hai, Chief Military Judge of the Northeastern Provinces; Yung Chen, Quartermaster General of Mukden; Wang Ye-tsai, Brigadier-General, commanding the 1st. Bricade of Mukden Infantry."

"Where Murder Makes History"

Under the above heading, the Japan Chronicle, British paper at Kobe, Japan, comments in part as follows:

"Correspondents and journalists politely speak of the murders in Mukden as a *coup d'etat*, and the Young General himself speaks of them as an "execution." In his motives, he says that the victims of his hired murderers conspired against him and wormed themselves into the good graces of other officials, with the object of bringing Manchuria under their control. After all, this is not a criminal offence in a democratic country, and General Chang Hsueh-liang, unlike his late father, desires to bring Manchuria within the orbit of the Nationalist Government, which, though stopping short of Bolshevism, is as democratic as it can be. But such methods are not suited to a democracy. Had Marshal Chang Tso-lin done it, the act would have been comprehensible as that of an old bandit unaccustomed to the usages of polite society; but the Young General has had greater advantages and should have more *savoir faire*. It is not a question of whether the murdered men were or were not acting contrary to his wishes and interests. If General Chang Hsueh-liang was doubiful whether his own emissaries could arrest the men who he considered were betraying him he should have called together a sufficient force and made their arrest himself. But to invite them to a mahjong party, excuse himself, and leave the room as a signal for the murderers to enter, is a piece of mediaevalism that is not suited to a country that considers itself entitled to discuss affairs on equal terms with the other Powers. Incidentally, foreigners will ask whether they will be subject to the same sort of justice in the event of extraterritoriality being abolished.

"The Young General appears to be finding his father's advisers rather a burden to him. This may occur equally easily whether the son is a better man than the father or the father a better man than the son. Chang Tso-lin was not pro-Japanese, but resisted envelopment by Japan with more adroitness and address than any other Chinese statesman. At the same time, he had no love for the Cantonese politicians, and was not likely to come to terms with the Nanking Government; he preferred his independence. The Young General, Chang Hsueh-liang had other views, and, in spite of all that Japan could do, signified his acknowledgement to the solidarity of China by the display of the Nationalist flag. In this he showed a hopeful degree of courage and independence; perhaps he is reaping his reward in the approval of his murders expressed by eminent Nationalists. However, it puts him in a rather false position. Only a pure despot has the right to murder men who cross him, and it is generally considered unwise even for those who have the right to exercise it. The murdered men may well have been in favor of continuing the policy of the late Marshal Chang Tso-lin, and perhaps to a Nationalist this might appear to be pro-Japanese. It was, at any rate, what the Japanese wanted at the time, and in the circumstances to be anti-Nationalist was very much the same thing as being pro-Japanese. Presumably there are a few Chinese who are ready to do anything in the world for money, but apart from these, there are practically none who can justly be called pro-Japanese. Nationalism has made so much progress in China that the citzens of that country are all pro-Chinese, though they may have very divergent views as to what is good for China.

"It is natural to ask who has anything to gain by the murders. Since the Young General has undertaken them on his own responsibility and explained them, it may be supposed that he regards himself as the gainer. He has at least shown excessively bad judgement. He will not realise it for some time, owing to the apparent approval of so many of his most progressive countrymen; but surely Mr. Sun Fo cannot really consider that the proper way of handling any politician who does not like the Nanking Government is to lure him into ambush and murder him. It is simply not done; there are more effectual ways. Moreover, Mr. Sun Fo's statement is unwise even from a Nationalist point of view. It is a challenge to Japan. If a Chinese politician believes that a policy of conciliating Japan in every possible way is best for China, he may be mistaken, but he is not necessarily a criminal or a traitor. Here, however, we have it announced that all who are in favor of a course which happens to have Japan's approval deserve to lose their lives. Such a view must have unfavorable reactions in Japan."

Spontaneous Renunciation of Governmental Protection by Certain Missionaries in China

BY TAN SHAO-HWA

A NUMBER of Protestant missionaries in China have in recent years publicly declared themselves willing to forego the right of extraterritoriality, and the right to call for the diplomatic protection of their respective governments, should there occur to them events which, under ordinary circumstances, would warrant the invocation of diplomatic inter-position. Such an action on the part of those missionaries is indeed magnanimous: magnanimous from the standpoint of the Chinese people who have experienced the international entanglement arising out of the protection of foreigners in China and are longing for a change in the old order; as well as from that of those missionaries who have fully enjoyed the boon of governmental protections and the legal systems of their respective countries while residing in China but have at last, actuated by the feeling of justice, gratuitiously given up what the overwhelming majority of foreign residents in China claim to be indispensable. It is regrettable to say, however, that what appears to be morally splendid may not have any material effect, The question under discussion, as it seems to the writer, is one of those moral aptitudes, because spontaneous declarations have thus far produced no binding force on the actions of governments.

If we are to use *consideration* or *quid pro quo* as a criterion for analysis, we may distinguish unilateral renunciation of diplomatic protection from the kind of renunciation which has a contract as its basis. As amongst the various forms of contractual renunciation we may conveniently mention naturalization and the acceptance of a *clausula* in a concessional contract commonly known as the "Calvo clause". Naturalization abroad is undoubtedly the most binding form of contractual renunciation of diplomatic protection, while Calvo clause is the most subtle. The latter is a clause stipulated in an agreement between a government granting concession and a foreign concessionaire by which the foreigner (1) agrees to use the local court as the final forum for all cases of dispute between the parties as to the interpretation of the terms of the contract, and (2) further agrees that he renounces his right to call upon his own government for protection in all matters arising out of the contract. This clause is not always framed in identical language; it sometimes just contains a statement on the first point. As indicated in the typical Venezuelan form, it reads that all the disputes arising out of the contract shall:

> "be decided by the tribunals of Venezuela conformably to the laws of the Republic, and that such contract shall in no case afford a ground for an international reclamation"

The Venezuelan Form

The first of the two points in this "Venezuelan form" concerns us very little, because it agrees in the main with the general principles of international law, although it fails to provide for contingencies, such as, for instance, the denial of justice. The second point which inserts an express disclaimer of the right to diplomatic recourse is somewhat analogous to the question under discussion, except that the Calvo clause is a contractual renunciation, while the spontaneous declarations of certain Protestant missionaries are acts of gratuity. This fact implies that an acceptance of the Calvo clause in a certain contract by the government of the concessionaire concerned may not signify an acceptance by the same government of the spontaneous declarations of its missionaries in China renouncing the right to governmental protection, and that the refusal of the former necessarily means the refusal of the latter. In other words, if a government denies the validity of the Calvo clause, such a denial is tantamount to a declaration that it would in no case countenance the spontaneous renunciations by its missionaries. The writer has had several occasions to discuss the question of renunciation of diplomatic protection with officers of the American Department of State. They all take the view that to accord protection to citizens is a duty and at the same time a privilege of a government, and therefore a national of the United States is not competent to make it, either by spontaneous declaration or by contract, binding on his government not to exercise its own right under international law to extend diplomatic protection. Then they go on to cite the American attitude towards the Calvo clause.

In 1924 a number of American missionaries in China caused to be circulated a statement for signature, in which the signers expressed their "earnest desire that no form of military pressure be exerted to protect us or our property; that in the event of our capture by lawless persons or death at their hands, no money be paid for our release, no punitive expedition be sent out, no indemnity exacted." This circular attracted a great deal of attention from missionary circles in America and called forth a lot of comments, some of which were by no means sympathetic. In the Foreign Missions Conference of North American there was created a "Sub-committee on Missions and Governments" whose chief function was to discuss questions "regarding privileges accorded to and responsibilities of American missionaries under existing treaties with China". Dr. James L. Barton, chairman of the Subcommittee, took up the matter with the Department of State and submitted thereto a copy of the above-mentioned circular statement. In response to the communication of Dr. Barton the Department of State laid down its ruling in the following words:

> "In general, American citizens are not entitled to waive rights of the character to which you refer. The treaties concluded between China and the United States are contracts between two Governments. They expressly provide that American citizens in China shall enjoy, with respect to their person and property, the protection of the legal authorities of government, and that they shall be exempted from the processes of Chinese law. The observance of these provisions of the treaties this government has a right to insist upon and doubtless would insist upon irrespective of the wishes of particular individuals who may be influenced by religious or other beliefs. It has been repeatedly held that a citizen cannot, by his individual act, control the right of his government to intervene or afford protection in an appropriate case.

The Calvo Clause

Along the same lines of thought are the attitudes of the governments of the leading Powers towards the Calvo clause. The Calvo clause is of Latin-American origin as already observed and, as such and owing to the special economic and political situations existing in that part of the world, has found a wide application in Latin-America.* The prevalence of American capital in Latin-America has on numerous occasions called for the expression of the American view. Diplomatic documents dealing with the subject are innumerable.

It can be said with a degree of certainty that the governments of the big Powers have consistently maintained that their citizens can not give up or contract away the rights of their governments to interpose diplomatically in their behalf, because the right of the government to intervene is superior to the right or competency of the individual to give it up or to contract it away.

The decision of international commissions on this subject, however, are far from being uniform.[1] Some uphold the renunciatory clause as barring the claimant from the right to appeal before an international commission; others deny its binding character, and thus releasing the claimant from its inhibitions.[2]

In the Orinoco Steamship case the British Government took the view that its general international right of diplomatic interposition was not modified by the renunciatory clause contained in the concession agreement of that Company.[3] Likewise, the Imperial German Government, as shown in a dispute with Venezuela, did not deem itself bound by the renunciatory clause. The refusal was on the ground that the government was not a party to the contract.[4] The American attitude towards the renunciation of diplomatic protection by

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*For examples of constitutions and laws which require that concession contracts to be concluded between the government and an alien shall contain a clause that the said alien renounces reference to diplomatic interposition and that disputes shall be submitted to the local court as final forum, see Article 38 of the constitution of Ecuador, Article 124 of the constitution of Venezuela, law of Ecuador of August 25, 1892, law of Colombia of November 26, 1888, etc.

1. J. B. Moore, *A Digest of International Law*, 1906, VI, 301 ff.
2. For unfavorable view see the case of Day and Garrison, J. B. Moore, *History and Digest of International Arbitrations*, 1898, IV, 3548-64.
3. J. H. Ralston, *International Arbitral Law and Procedure*, 1910, p. 90.
4. Moore, *International Law Digest*, VI, 300.

its citizens is equally, if not more, unequivocal. Almost without an exception[1] it takes the position that citizens are not competent to give up national protection.[2] Such a position had been adequately expressed by Mr. Bayard as Secretary of State in an instruction to Mr. Straus, American Minister to Turkey, dated June 28, 1888:

> "It is not competent to a citizen to divest himself of any part of his inherent right to protection or to impair the duty of his government to protect him."[3]

The provision that the foreigner is to submit disputes to local courts for adjudication *per se* does not raise any serious objection, but where the stipulation of the contract forecloses the rights of the concessionaire to appeal to his government even in the case of a denial of justice, and denies to the government of the right to intervene, the Department of State has uniformly repudiated the validity of such contractual renunciation. The following statement of Secretary of State Bayard is specially instructive:

> "This government cannot admit that its citizens can, merely by making contracts with foreign Powers, or by other methods not amounting to an act of expatriation or a deliberate abandonment of American citizenship, destroy their dependence upon it or its obligations to protect them in case of a denial of justice."[4]

This position of the American Government has been uniformly and consistantly maintained. In the recent controversies between the United States and Mexico arising out of the latter's land laws the question of renunciation of diplomatic protection by American citizens has been proved to be the bone of contention. In a note to the Mexican Minister for Foreign Affairs dated July 31, 1926, Secretary of State Kellogg stated, among other things, that:

> "The principle of international law that it is both the right and the duty of a government to protect its citizens against any invasion of their rights of person and property by a foreign government, and that this right may not be contracted away by the individual, is conceded."[5]

Policy vs. Renunciation

With these attitudes of the governments towards the contractual renunciation of protection in mind, one cannot escape the conclusion that spontaneous renunciation has no material effect on the policies of the governments and can in no way legally bind their actions. It seems that in a country like China (and as long as its present treaty relations exist) nothing short of naturalization on the part of foreign residents can prevent their government from resorting to protectional measures. Here we may conveniently observe that an American missionary, can not impliedly, however deliberately it might be, abandon his American citizenship. The general presumptions of expatriation find no actual application in China. According to American practice, the proof that the citizen is a regularly appointed missionary of a recognized American religious denomination is sufficient to overcome the presumption of implied expatriation, although the person concerned may have stayed in China for all his life time and have no intention to return to the United States. The doctrine of implied renunciation of citizenship by continuous residence is further limited in China, because it is a country in which the United States has exercised extraterritorial rights. The ruling of the Department of State expressly contemplates a permanent residence in the extraterritorial countries. Thus native American citizens or naturalized citizens of other origins than that of the country in question,[6] will lose their citizenship owing to the presumption of continuous residence. In the case of Young J. Allen the United States Court for China held that, in spite of forty-seven years in China without an intention to return to the United States,

> "There is nothing in the theory and practical operation of the law of extraterritoriality inconsistent with or repugnant to the application of the American law of domicile to American citizens residing in countries with which the United States has treaties of extraterritoriality."[7]

1. For an exception see Secretary of State Fish to Butler, Oct. 5. 1871, *Ibid.*, VI. 293.
2. *U. S. Foreign Relations*, 1909, p. 222.
3. *Ibid.*, 1888, Vol. 2, p. 1519.
4. Mr. Bayard to Mr. Buck, Minister to Peru, February, 15, 1888, Moore, *International Law Digest*, VI, 294.
5. Quoted by Philip Marshall Brown in editorial comment on Mexican Land Laws, *Am. Journal of Int. Law*, 21 (1927) p.295; see also Secretary of State to Mexican Minister for Foreign Affairs, March 1, 1926, *Sen. Doc.*, No 96, 69th Cong. 1st Sess. p. 35.
6. China is the country in question, but according to American law now in force it is impossible for Chinese nationals to be naturalized in the United States.
7. *Am. Journal of Int. Law*, I (1907) p. 1029 ff.

It must not be taken to mean that the writer advocates expatriation on the part of foreign missionaries in China, however there is something to be said for such a proposal. Ordinarily naturalization of a missionary as full citizen of the land to which he goes is without doubt a complete solution of the problem of waiving diplomatic protection. Thus we find that some missionaries have actually done so—Dr. David Frumbell in Chile for instance—and some men who are intimately connected with missionary work have urged missionaries to act likewise. It is reported that Dr. T. T. Lew was in favor of such a proposal at the Foreign Conference of the American and Canadian Boards held in January 1927. Dr. James L. Barton to whom reference has just been made has given much thought to this problem. Writing on "Some Missionary Activities in Relations to Government" he analyzed the question of citizenship and protection in a lucid manner and summed up the situation in the following words:

> "If a missionary is convinced that he ought not to claim or receive national protection, and his failure to do so imperils others of his nationals, he might consider becoming a subject or citizen of the country to which he is giving his life. Then there could be no occasion for his former government to interfere in case he had trouble. If there appeared difficulty in securing citizenship in countries like Japan, China and Turkey, he might vacate his own citizenship and so be without a country and therefore quite removed from temptation to appeal for personal protection. Perhaps on the whole this would make the most complete demonstration possible of his purpose to live among the people for whom he labors as one of them with no protection that they did not also possess. This might apply not only to countries under extraterritorial privileges but to all missionary lands. In no other way can a missionary completely empty himself of his nationality so as not to give the impression to the native populations that he has behind him a great, powerful, protecting nation."[1]

A Thorny Problem

To-day the question of nationality is only of national concern and there is as yet no international convention of the law-making type dealing with the subject.[2] International jurists have found the problem thorny enough without further complications from the question of alien missionaries in extraterritorial countries. Instead of proposing a resort to this ingenious device, the writer would rather see and help towards bringing about in China a new day and a new order in which extraterritoriality will recede to the realm of history, protection to aliens will be amply adequate, substantial justice will be given alike to all residing in the country so that there will be no question of a "civilized standard", and Chinese Christians, should they desire to keep their faith at all, will prove capable of propagating their belief and interpreting the scriptures according to their national experience and the genius and needs of their own people.

The impression from what has been given above thus far is that an individual is not competent to give up, contract away or otherwise divest himself of the protection of his government in his personal and property rights when these are infringed in a foreign country. This being the case, what good can those missionaries do in renouncing the privilege of diplomatic protection, which action is but an expression of a pious hope and does not in any wise result in the creation of a positive obligation on their government? Is it not a mere gesture? As a matter of fact, it is more substantial than a mere gesture, it the effort is made in perfect sincerity. A survey of international incidents of this type brings home to one the conclusion that individual waivers have produced a moderating effect on their respective governments. Their influence, though unofficial, is felt in many ways. In the first place, they may refrain from making reports on injuries sustained to the local consular officers or to their diplomatic representatives. The absence of complaint naturally can not prevent the government concerned from prosecuting a claim in behalf of its national; but, in the absence of report, the government may not be informed and, even informed through other channels, it may voluntarily choose to ignore the matter if it is only of minor consequence.

Even if the government is duly informed, the injured party can always waive the claim, because such waiver of the right to indemnity weakens the government's right to demand reparation and for that reason the government may deem fit to desist from pressing the claim, unless the injury is of such a nature as amounts, in the judgment of the government, to a national affront. That the Jeucksen's claim against Spain was dropped by the British Government on

1. *Int. Rev of Missions*, July 1924, p. 340.
2. The League of Nations' Committee of Experts for the Progressive Codification of International Law has been working on the question of nationality. The question is on the agenda of the First Codification Conference which is to be held in 1930, or 1929 if the Disarmament Conference will not be held in 1929.

account of individual waiver is a fitting illustration.[1]

International abritral tribunals have regarded a private waiver as a private settlement of the claim. The fact that the injured party has renounced his right to indemnity constitutes a bar to international reclamation.

The subject of the renunciation of indemnities is very familiar to missionaries in China. It is generally understood that mission boards, so far as they themselves are concerned, have adopted a more or less uniform policy of refusing indemnities for the lives of their missionaries. The statement issued by the Presbyterian Board of Foreign Missions in relation to indemnity over the death of Rev. Dr. John E. Williams which occurred in the "Nanking Incident" is most outstanding. The statement confirming its policy, in part, runs as follows:

> "The Presbyterian Board of Foreign Missions have never requested nor accepted indemnity for the death of any missionary and it is fully convinced that in the case of Dr. Williams it should adhere to this long-established practice. The board has in mind not only those essential principles which inhere in the motive and aim of missionary service, but also the welfare of the Christian cause in the place where the violence occurs, especially as experience show that indemnities are usually collected from innocent people in the local community."[2]

The Questem of Indemnities

Then the statement continues that "the board can speak for itself" and "is not authorized to speak for any individual personally concerned in the death of Dr. Williams." This remark naturally refers only to such persons as members of the family of Dr. Williams, but incidentally it raises the question as to the attitudes of individual missionaries toward indemnities. It is impossible to give a conclusive answer, because not many missionaries have expressed their views. At various missionary conferences, particularly those held in China in the fall of 1926, the question of indemnities came up, but in most cases no final decision was reached. Some held that the policy of suffering wrongfully rather than requesting official intervention and demanding indemnities is in accord with the teachings and practice of their Master.[3] Others were of the opinion that indemnities must be demanded, because full legal rights should be exacted from the Chinese Government in order to coerce it to render due protection, and "the refusal of indemnities places the widows and orphans in a difficult position,"[4]

There have been some isolated cases in which missionary societies declined to receive indemnities for properties destroyed. In 1878 the Church Missionary Society refused to receive compensation for Steward's College which was destroyed in the "Hwasang Riot"; for in the judgment of the Society, any indemnity paid might be regarded by the Chinese people as compensation for the lives of missionaries. For such gratuity the Chinese Government was very thankful to the Society. Therefore the Tsungli Yamen informed Sir Claude MacDonald, the British Minister at Peking, that "the refusal to accept compensation commanded the Yamen's profound respect and esteem."[5] The recent "Nanking Incident" furnishes another illustration. While the Sino-American Mixed Commission composed of Dr. C. Kuangson Young, Mr. Wu Ching for China, Mr. C. J. Spiker and Mr. V. G. Lyman for the United States, was sitting to examine evidences to decide on awards, certain American missionary societies declared that they would not accept indemnities for the loss sustained in the Nanking Incident." Thus we saw a report of recent date in the local papers that the National Government of China, through Dr. C. T. Wang, expressed high appreciation of such renunciation of indemnities.

[1] T. Baty, *International Law*, 1909, P. 156.
[2] *New York Times*, April 10, 1927, P. 2.
[3] See D. E. Hoste, "The Church in China and International Agreement", *The Chinese Recorder*, April 1924, P. 241; and R. E. Speer, *Rept. on Japan and China*, 1926, P. 431 ff.
[4] See F. F. Ellinwood, "Relations of Missions and Nissionaries to Government", *Rept of the Foreign Missions Conference of North America* 1910 pp. 93-95; J. Archibald, "The Case for Indemnities", *The Chinese Recorder*, Nov. 1910, pp. 718-726.
[5] E. Stock, *History of the Church Missionary Society*, Vol. III, p 587.

Madade Sun Yat-sen May Return to China in March

According to reports which have appeared in the Chinese newspapers, Madame Sun Yat-sen, widow of the late leader of the Kuomintang, may return to China in March in order attend the official funeral of Dr. Sun Yat-sen which will be held in Nanking on March 15. Mrs. Sun is now in Switzerland and according to the report she will return to China by way of Moscow. Since leaving China last year Mrs. Sun has been in Moscow, Germany and Switzerland.

Premier Tanaka Outlines Japanese Policy in Manchuria

Baron Tanaka, Japanese Premier and Minister of Foreign Affairs, delivered an address before the House of Peers in Tokyo, January 22, in which he made extended references to China, and particularly to Manchuria. After dwelling on conditions in China proper and the willingness of Japan to lend assistance to China in the task of construction, Baron Tanaka said: "I feel bound to say a few words about our position in Manchuria as distinguished from the rest of China. In view of the political and strategic importance which it bears to Japan on account of its geographic contiguity with our territory and considering the historic significance which it possesses in that said region was restored to China by Japan at the risk of her national existence from the aggressive grip of the Tsarist Russia, it is quite natural that the sentiment of the Japanese people toward Manchuria should be peculiarly keen and entirely different from that toward any other part of China. Furthermore, more than a million Japanese subjects reside in that region to-day and Japan has many important rights and interests there. The interest and concern with which the Japanese people have come to regard affairs of Manchuria should therefore not cause the least wonder. It goes without saying that the Japanese Government, will respect the sovereignty of China over Manchuria, do all in their power for the preservation of principles of the open-door and the equal opportunity and desire that region be made a safe abode for both natives and foreigners. They are, at the same time, fully determined to take appropriate steps when the state of affairs arises in Manchuria which shall place Japanese interests in jeapordy. This Government have always followed this policy in all their dealing with Manchuria. In a word, what this Government desire in regard to China is that the two nations, mutually understanding the position of the other, should be animated by a spirit of conciliation in their exchange of views and in their efforts for the settlement of various questions pending between them, so that the relationship may be restored between them that will really not only contribute to their mutual wellbeing but will be conductive to the tranquillity of the Far East and eventually to the progress of world civilization."

National Army Strength to Be 50 or 60 Divisions

Acting on the recommendation of T. V. Soong, Minister of Finance, at the Military Disbandment Conference at Nanking, the National Government has decided to fix the strength of the Army at between 50 and 60 divisions.

Mr. Soong in the course of a lengthy report on the financial situation stated that the estimated revenue of the Government is approximately $457,000,000, of which not more than 41 percent ($192,000,000) ought to be spent on the Army. According Mr. Soong's plan, all disbursements of military expenditure must be appropriated and remitted to the various commanders concerned by the Ministry of Finance, no requisition of government funds from any local authority to be allowed.

A committee of thirteen headed by General Feng Yu-hsiang, is formulating disbandment measures. It has been fairly well settled that those military units which had achieved distinction in the course of the Northern Expedition as well as those garrison forces which have creditably maintained peace and order in the respective localities in which they have been stationed will likely be retained while the miscellaneous troops will be disbanded. In the opinion of the *Ta Chung* news agency, by far the most practical scheme for the employment of disbanded soldiers is the one submitted by Yih-Pei-Chi, Minister of Agriculture and Mining. Mr. Yih's plan provides for the employment of approximately one million soldier-laborers, 200,000 each in the three districts of Southern Honan and Changtu, Kirin and Jehol and Suiyuan and 400,000 in Singkiang, Ninghsia and Kansu for reclamation purposes. A large number of minor military officers are to be employed to surpervise the laborers and a school for forestry is to be established for the training of those high officers who are interested in afforestation.

King Amanullah of Afghanistan Decides to Fight for Throne

Advices from Afghanistan during the week were to the effect that King Amanullah, who last week had been forced to abdicate, has rescinded his abdication, and has decided to wage a fight to resume supreme control in the country. The new King, Habibullah, who was proclaimed Ameer, is stated to have enjoyed only short popularity, and there is a growing feeling in Kabul favoring the old King's return. Amanullah's troops are concentrating at Ghazni, 78 miles southwest of Kabul.

Macao: A Rejoinder from "J. A. J." to "J. E. C."

To the Editor, The China Weekly Review.

Sir,—As space is always valuable, particularly so in a weekly publication of the class of the *Review*, I shall only confine myself to a very few words to the letter you recently received for publication from J. E. C. whose identity is very well known to me.

1.) In connection with Macanese opinions expressed in secret conclave, permit me to state that I have not the least intention to give the show away as to the identity of those Macanese who are highly dissatisfied with the state of affairs at Macao either by informing your correspondent where such conclaves were held and the intimate details in connection therewith. Mr. Montalto de Jesus, for being bold enough to publish a book embodying a fraction of such Macanese opinions, has been prosecuted and persecuted by the Macao authorities and I have not the least intention to put other Macanese into the clutches of the high-and-mighty from the homeland and of the sycophants who are so embroiled in the business of self-enrichment through ill-gotten gains!

2.) Your correspondent is wrong when he suggests I have been to Macao but three days. I have been to Macao on and off for seven years and recently in order to collect material for a series of articles for the *Review* I spent fourteen weeks there to dig into old records and to obtain information from old-timers, one informant having carried on business in Macao for some 40 years!

3.) Your correspondent may have no political interests in Macao (the high-and-mighty from Portugal are too selfish to permit foreigners to share political interests with them!) but he admits he has commercial interests. I am not suggesting anything in this connection, but we all seem to know that there are no worse die-hards than certain business men.

"The War of 1841"

4.) "The war of 1848" should have read "the war of 1841", it being a typographical error either on my part or on the part of the printer. What I meant was that the war of 1841 (and your correspondent being a Britisher ought to know which war I am referring to!) and subsequent events led the doughty Amaral to match conclusions with the Chinese in the hope that he could secure Portuguese Sovereignty over Macao as the British had secured theirs over Hongkong, and he succeeded in his enterprise although it cost him his head. The fact that until that time the Portuguese had paid a rental for Macao clearly shows that the territorial rights of China were deliberately violated by the Portuguese and the treaty later signed by China may be said to be a treaty forced down the throat of the Peking Government, already tottering in face of Imperialism.

5.) I hope the British of the treaty ports have as much high regard for the intelligence of the Macanese as your correspondent has. But the facts available to any serious investigator disprove your correspondent's effusions in this connection. I have already touched upon the question of the education of Macanese children in the Orient and the unsatisfactory education of Macanese in the past and I have also dealt with the question of their present status, so I do not intend to repeat my views again, space being, as I have already said, very valuable.

The Three Vices

6.) If your correspondent cannot make use of better arguments to justify the three vices at Macao, then the Portuguese authorities should engage some other defender. (Perhaps Mr. Geo. Bronson Rea could help them out!)

7.) The Harbor Works question will be dealt with in a future article on the subject of Macao's commerce.

8.) Perhaps your correspondent was not on the Fair grounds on the opening night. In spite of months of advertising, there were but two or three stalls ready. The Governor, presumably after an excellent repast at the Palace, arrived at the Fair grounds an hour late., to be received by certain priests at the gate and by a couple of members of the Fair Committee. The "girls" he refers to were certainly called some other name by many Macanese. As for the fighting over them, it happened in this way: A prominent Macao lawyer, "pretty well lit up," took all the "girls" away with him in his motorcar. That set the soldiers and the sailors throwing bottles and chairs around. The cabaret was pretty nearly closed up but "negotiations" held later caused it to be continued. Public opinion in Macao was that it was a disgrace that the clergy, seeing that the Fair was to benefit Catholic charities, should have included such an institution.

Macao as a Precedent!

9.) It is hopeless I suppose to discuss the matter of joint-management with your correspondent. Being a Britisher, he naturally cannot refrain from eschewing present and past British concessions from his mind when discussing the question of control over Macao. Moreover, to return Macao to China might cause a dangerous precedent to the British!

10.) I suggest that your correspondent read the old files of the Hongkong papers and delve into the pages of the *London Times* from 1922 to 1926, not to mention certain excellent old books of reference.

11.) Let all those who talk lightly of "Sino-Portuguese friendship" bear in mind the fact that seldom have the Portuguese and Chinese got along without an "incident" occurring once every three years.

12.) I refer *Review* readers to the series of articles I am now writing for the *Review* and I assure you Mr. Editor that I not only have no personal interest as to the future of Macao but I do not own race horses at Macao. What I am supplying you with has been gathered first hand.

13). The so-called "mass meetings" were held under official aegis. In Hongkong for instance, and J.E.C. ought to know this fact, the Portuguese Consul inserted an advertisement in the papers calling upon the community to meet at the Camoes Hall of the Lusitano Club "to discuss a matter of vital importance to the Portuguese."

14). It may be true that gambling and prostitution are licensed in certain countries, I do not deny this at all, but nowhere else can we find a Government existing only from gambling, opium and prostitution. Take away the revenues earned from the three vices and Macao has nothing else to exist by. In all books of reference, in the China Year Book, in independent foreign publications, etc, we find mention of the fact that "the trade of Macao is now insignificant" and that "the Colony subsists on gambling, opium and prostitution." Why not hold "mass meetings" against these publications. I dare say if they tried any of such stunts in reference to the remarks of the China Year Book, Mr. Woodhead would make things hot for them.

People Are Debauched

15). I repeat that "her (Macao's) people and those of the neighboring countryside are debauched and ruined while Macao spends vast sums upon fantastic enterprises to keep her tainted wealth in circulation and allow those who have the handling of it to exercise their ancient privilege of private accumulations." Mr. J.E.C. takes this as an acknowledgment from me that the Portuguese authorities at Macao are trying to get away from the three vices and he proceeds to gratuitously insult the Chinese by bringing in the Three Principles. Why didn't he italicise what I said in reference to "private accumulations?" For that is just what it is. If the high-and-mighty at Macao did not dabble in harbor works, highway building, etc. they would have had to remit every cent of the colony's ill-gotten profits to Portugal but in carrying out *fantastic enterprises* (i.e. enterprises which would never achieve anything tangible without Chinese co-operation and the Chinese are certainly *not* going to co-operate with the Portuguese to perpetuate their hold upon Macao) certain individuals could pocket a "little" squeeze from time to time.

16). There is a Portuguese Bank at Macao, the Banco Nacional de Ultramarino which, of course, has its own connections in the homeland and colonies so why is it that certain officials send their wives to Hongkong to purchase bank drafts covering remittances home, making use of non-Portuguese banks? So as to keep such transactions private, for otherwise people would be set wondering how is it that so-and-so drawing but a salary of $300 or $400 monthly, could remit home such large sums from time to time! If J.E.C. thinks that corruption is only to be found amongst Chinese, then he has another guess coming!

17). Has J.E.C. never seen the Portuguese paper *"O Petardo"* published in Hongkong? If he is not able to read it, get some one to translate its contents for him. Then he will realize that not all Macanese are sycophants, ready to cling to the high-and-mighty from home, like dogs hanging around the table waiting for crumbs to fall on the floor!

18). I shall not engage in any more refutations of "mass meetings" but shall confine myself to continuing my series of articles on Macao for the benefit of *Review* readers.

Canton, January 11, 1929. J. A. J.

P. S. I am shortly publishing a book on the Macao question.

China Foundation Regains Its Independence

BY HU SHIH

(North-China Daily News, Shanghai, Jan. 17)

"Two great Conferences are being held during the New Year Week; One is the Disbandment Conference at Nanking, the other is the Seventh Regular Meeting of the China Foundation at Hankow."

With these words, General Chiang Po-cheng, acting Chairman of the Provincial Government of Chekiang, welcomed the Trustees of the China Foundation at a dinner given in their honor by the Provincial and the Municipal authorities of Chekiang and Hangchow on January 5.

The comparison may seem at first sight too far fetched. But to those who have followed the recent developments concerning the China Foundation, the fundamental issues involved in the Hangchow Conference of a few Chinese and American trustees are certainly no less important than those to be discussed at the Nanking Conference on Disbandment.

Politics Excluded

The net result of the Hangchow meeting was the establishment of the principle of self-perpetuation and freedom from political control and interference,—a principle vital to the permanence and responsibility of boards of trustees in charge of educational and scientific foundations.

The China Foundation for the Promotion of Education and Culture, which was formed of the second portion of Boxer Indemnity returned to China by the American Government in 1924, is governed by a board of 15 trustees,—10 Chinese and 5 Americans. Article 3 of its Constitution says that the trustees are to be "appointed in the first instance by the President of the Republic of China. Thereafter vacancies occurring in the membership of the Board shall be filled by election by the Board. The name of any person so elected shall be forthwith reported to the Gorernment." This is the principle of self-perpetuation which, by the way, was adopted by the Willingdon Delegation and later by the whole Buxton Committee in their recommendation for the organization of the future board of trustees for the British China Indemnity Fund.

Misunderstanding by Nanking

Last July, the Ministry of Education at Nanking, through a misunderstanding of the history and organization of the Foundation, suddenly recommended to the National Government a new Constitution for the China Foundation, which was promulgated by the Government. The Government in a mandate ordered the abolition of the original Board of Trustees and appointed a new Board which, however, retained all the American members and five of the Chinese members of the original Board.

The new Constitution abolished the provision for self-perpetuation and replaced it with an entirely different article which limits the trustee's term of office to three years, at the expiration of which a successor shall be appointed by the National Government "on the recommendation of the Ministry of Education based upon the public opinion of the educational bodies in the whole country."

All this means a violation of the original constitution in at least three essential points: the abolition of the method of self-perpetuation, the constant interference by the Government in every vacancy occurring in the Board, and finally the interference of the Government in revising and even annulling the Constitution itself. For the original Constitution can only be amended "by a majority of three-fourths of the membership of the Board at a meeting called for the purpose." A government promulgated Constitution means nullifying the original Constitution altogether.

American Government's Interest

The American Government has not been officially notified of this action. But this edict is legal and, therefore, raises the questions whether the newly constituted Board is the constitutional successor to the original Board whose constitution had been annulled by the Government. As payments of the indemnity are made each month from the Treasury Department of the United States on a voucher specifying that the money is paid in accordance with the executive order of the President, which quotes the charter or constitution of the Board of Trustees, the payments have been automatically stopped since last August pending a solution of the quesion of constitutionality.

The Ministry of Education soon saw the difficulty and was willing to take steps to remedy the situation. Both the former Minister Dr. Tsai Yuen-pei and his successor Dr. Chiang Mon-lin are members of the original Board and also among the new appointees. When Dr. Chiang became Minister of Education, he sent a letter to the original Board requesting it to call a meeting of its original members at an early date.

Dr. Chiang's action was sanctioned by the Executive Council which issued on December 26 an order authorizing the Ministry of Eduction to call a meeting of the original Board of Trustees of the China Foundation "to work out steps of reorganization in order to facilitate its operation." This order was further confirmed by the National Government which issued on January 2 an edict authorizing the action of the Ministry of Education and granting to the Ministry the power to take necessary steps in the light of actual conditions so that the working of the educational and cultural undertakings may be better facilitated."

Essential Principle Retained

So the 7th Regular Meeting of the China Foundation was held on January 4. It was attended by Dr. W. W. Yen, Dr. Y. T. Tsur, Dr. Tsai Yuen-pei, Dr. Chiang Mon-lin, Dr. Wong Wen-hao, Dr. Paul Monroe, Dr. Leighton Stuart, Mr. Roger S. Greene, Mr. C. R. Bennett and Dr. Hu Shih, Dr. Monroe holding the proxies for Drs. Alfred Sze and P. W. Kuo. Owing to the absence of Mr. Chang Po-ling, President of the Board, Dr. Tsai was elected to be the temporary Chairman.

The first item on the agenda was the revision of the Constitution. Five verbal changes were proposed and adopted. But the third article, which contains the principle of self-perpetuation as described above, was retained.

Six members sent in their resignations, which were accepted with expressions of regret. The retiring members were Doctors P. W. Kuo, V. K. Wellington Koo, Chang Poling, W. W. Yen, Y. T. Tsur, and Hu Shih. They were succeeded, in order named, by the election of Mr. Wang Ching-wei (Wang Chao-ming), Mr. Sun Fo, Mr. Li Yu-ying (Li Shih-tseng), Dr. Wu Chao-chu, Mr. Zen Hung-chun, and Professor Chao Yuen-ren.

With the exception of Mr. Yen Hung-chun, who has been executive secretary of the Foundation since 1925, all the other new members were appointed by the Government last July. These gentlemen, however, had in a letter dated last December, declared to the Board that, in their sincere desire to respect the original Constitution of the Foundationn, they were willing to waive whatever status they had as appointed trustees, and "request the Board freely to elect properly qualified persons to fill the vacancies that may occur in the membership." The letter was signed by Dr. C. C. Wu, Mr. Sun Fo and Professor Chao Yuen-ren; no doubt it would have been signed by the other two gentlemen had they been within reach.

Old System in Full Force

This expression of attitude was much appreciated and their election by the Board together with the election of Mr. Zen, who was not among the Government appointees, means that there has been no break in the life of the Board and that the principle of self-perpetuation in the Constitution is in full force.

Mr. H. C. Zen was welcomed into the meeting towards the end of the morning session, and Mr. Li Yu-ying, who had been visiting Mr. Chang Ching-chiang in Hangchow, was immediately notified and attended the meeting in the afternoon.

The meeting adjourned at 5 o'clock on the same day, after spending the whole afternoon session in discussing the future policies of the Foundation.

Thus ended a memorable meeting in which the principle of an educational foundation's independence and freedom from political interference was re-established with courtesy and good-will on every side. Dr. Paul Monroe came all the way from New York to attend the meeting. Dr. W. W. Yen and Y. T. Tsur came down from Peking merely to be voluntarily "disbanded." And the Government appointees voluntarily waived their legal status and asked for a free election. May we not hope that such spirit may also prevail at the Nanking Conference on Disbandment and make it a success!

Russo-American Pencil Manufacturers Open Shanghai Office

The A. Hammer Company, Inc., a Russo-American organization which in 1925 was granted a ten year concession for the manufacture of pens, pencils and similar articles in the U. S. S. R., has opened a sales office in the Bank of Taiwan Building, Shanghai, under the management of M. M. Pearlman, While it is understood that the China organization of the Company at present is functioning merely as a merchandising agency, no statement as yet has been made by the local management, and it is possible that manufacturing operations also may be contemplated. The A. Hammer Company is one of eleven American companies granted concessions by the U. S. S. R.

On the Eve of Chinese Tariff Autonomy

BY C. Y. W. MENG 孟長泳

Having been bound by a limited tariff for more than three-quarters of a century, as a result of which there has been a tremendous loss of revenue to the Chinese exchequor, China has at last freed herself from the imperialistic yoke as a result of her strenuous efforts.

The principles of Chinese tariff autonomy were decided at the Washington Conference. But the special tariff conference, in Peking (now Peping) in 1925, made it more definite that the Chinese national tariff law should come into effect on January 1, 1929. Up to the present, about eleven states have signed new treaties with China, again promising China tariff autonomy. China on her part promulgated the new import tariff a month ago. Therefore, February 1,—the date when the new tariff is to be put in execution—marks the beginning of the new epoch in the Chinese history of the Chinese tariff.

No Objection to the New Tariff

The new tariff schedule which has been promulgated by the National Government to go into effect on February 1, 1929, is a voluminous document with 718 specific items. A close study of the schedule will tell us that in its general tenor, the schedule follows the suggestions that were recommended at the Special Tariff Conference in Peking and is on a graduated basis, to which twelve participating powers (at present, eleven of them have signed new tariff treaties with China) including Japan had agreed. That the highest rate is only 27½% meets our agreement. In our last discussion* of the tariff problem, we suggested to our government that for the first few years, the rate should not be too high, for in that case, it would ruin the economic life of some countries which depend on China for existence. Should any countries refuse to pay according to the new schedule it is not because the rate is high or the present rate could affect their trade, but because either they are unwilling to pay more than 5 per cent ad valorem—the lowest tariff rate in the world—or they oppose the new tariff for some "extrinsic" reasons other than the effect of the new tariff upon their trade.

The Japanese Opposition—Never Mind

Though the present new tariff is low and reasonable, and further is one to which the Japanese themselves agreed at the Special Tariff Conference in Peking, the Sino-Japanese negotiations over the tariff issues are still pending. It is now clear that the Japanese are opposing tariff autonomy for China merely because they wish to use this issue as a lever to get something else. Indeed, the Japanese are in avery embarrassing situation. First, the Chinese have refused to open negotiations on any problem, unless the Japanese first withdraw their troops from Shantung. Should Japan refuse to do so, she can never hope to settle the tariff controversy with the Chinese. Should the Japanese withdraw their troops, the mission of dispatching troops to Shantung would be entirely a failure. Lastly, the most important of all, is the Japanese "special interest" in Manchuria—which is not yet recongized and further is constantly threatened by the National Government. Japan puts many demands before the Chinese for the sole purpose that by reason of their harshness they hope to extract some promises from the National Government regarding their "special interest" in Shantung and Manchuria.

But it is our belief that the Japanese will not be to able block China's way to tariff autonomy. Japan did its best to block the advance of the Revolutionary armies by despatching their troops into Shantung, yet the Nationalists did reach Peiping at last. The Japanese protested bitterly in Tientsin against the collection of 2½% surtax, yet they began paying after only a few days of protest. Japan stopped the hoisting of the Kuomintang's flag in the Three Eastern Provinces by armed intervention, yet at present the Koumintang flag is seen in every corner of said provinces. It is true the Japanese could, regarding the collection of the new custom duties, pay the ordinary 5% custom duty at the Japanese consulate and then proceed to take out their cargo. But we believe the situation is now changed. Should the Japanese resort to this step, the Japanese would merely aggravate the ill-feeling of the Chinese towards them and are merely encourage the more vigorous Chinese boycott of Japanese goods and intensifying the Chinese Anti-Japanese movement. In the end, Japan must realize that she would face the greatest financial crisis that ever happened in her history.

The Customs Organization to Be Reformed

As the year 1929 marks the beginning of the new era in the history of the Chinese tariff, we believe also it marks the beginning of a series of tremendous changes in both the customs organization and administration. The Chinese Customs House though a purely Chinese Governmental organ, has become "international" in character. In the first place, foreign nationals of more than twenty nationalities are employed in the Custom service, the higher positions are being held by these foreign nationals. Secondly, in case of civil war or foreign war, the Customs stands "neutral". Thirdly, the governmental orders are not enforceable in the Customs organization; the Customs does not have a holiday in celebration of Dr. Sun's birthday though all other governmental organs have three days, holiday. Fourthly, the Customs revenue is being pledged for foreign loans, which means that the auditors are necessarily exerting some control over this revenue. Under these circumstances, we are sure that some tremendous changes are bound to come about.

At present, under the Ministry of Finance, there is a Board of Revenue (賦稅司). Parallel to this there is one Bureau of Custom Affairs (關務處) and one office of the Inspector-General (總稅務司) Under the Bureau of Custom Affairs, there come the Superintendents of Chinese customs (海關監督), and the Inner Tax Bureau (內地稅局) which in fact, is only a Surtax Bureau. Under the Inspector-General there come the Commissioners of Customs and their subordinate offices. and also the Chinese Maritime Customs' "London Office".倫敦辦事處

Glancing at the above, it strikes our mind at once that the present organization is by no means efficient and simple. It is not simple because there is one Board of Revenue, one Bureau of Customs Affairs, and one office of Inspector-General. It is not efficient because in matters of executing orders, the concentration of responsibilities is lacking and conflict of authorities inevitable. In organizing any organ, simplicity and efficiency are always essential.

In brief, we want to suggest that under the Ministry there should be: the Bureau of Inner Taxes which should be in charge of all land tax, grain tax, and all miscellaneous taxes; the Bureauof the Customs Affairs; the Bureau of Special Taxes, and the Bureau of the Salt Gabelle. Under the Bureau of Customs Affairs come the Commissioners of different customs and their subordinates. That will leave out the office of the Inspector-General and the Superintendents of Customs, whose existence, in our opinion, is not desirable.

Superintendent's Yamen Should be Abolished

The Superintendent of Customs was originally appointed for the purpose of supervising the Commissioner, a foreign employee of the Customs, in matters regarding the collection of the Customs revenues. Thus, although engaging foreign employees, China did not lose her right of supervision. The Superintendent took charge of everything. such as collection, appropriation, and protection of the Customs revenue and also the appointment of the Customs employees. Matters handled by the Commissioner of Customs were such that were ordered to be done by the Superintendent. Such was the Superintendent of Customs before 1900.

But the tables were turned as a result of her defeat by the Island Empire in 1895, her subsequent defeat by the Allies in 1900, and by her failure to meet her obligations, as a result of the outbreak of the Revolution in 1911, when the powers of the Superintendent were reduced to zero; and he is now a man "who can do no wrong." Since then, the power of appropriation, not to speak of collection, of the Customs revenue which was formerly exercised by the Superintendent has been exercised by the Commissioner of Customs. Since then, the power of depositing the Custom revenue in any bank which was also formerly exercised by the Superintendent has been exercised by the Commissioner of Customs in Shanghai. Since then the Commissioners of the different Customs Houses have been collecting the revenue in its entirety from the Customs, though only part of it is to meet foreign obligation. Since then the Inspector-General has taken charge of everything in the Customs. The Superintendent's duties consist of distribution of duty memos and making a report to the Central Government of the received revenue as it was reported by the Commissioners of Customs. Under such circumstances what is the use of having a Superintendent?

Furthermore, the Customs House and the Superintendent's Yamen (office) are always far away from each other. In case of dispute between the foreign merchants and the Custom authorities, the case can easily be settled when the former calls on the Commissioner to explain everything. But in case Chinese are involved, the case has to be referred to the Superintendent whose office is far away, and whose help could only be obtained after at least several days of delay. Lastly, we think, it is foolish to spend so much money to maintain the Superintendent's Yamen, which has really lost all its powers and functions, and whose existence is considered by us useless and undesirable. Therefore, the office should be abolished.

Edwardes' "Timely" Resignation

The so-called Inspector-General is really the representative of all creditors, who employ him to watch, control, and take

*See "The Nationalists and the Tariff Problem" in New China Edition of the Review, written by the same writer.

charge of that portion of the Custom revenue which was pledged to pay off the Chinese obligations. But in fact, the Inspector-General became a sort of 'Czar" of Chinese finance, forcing Chinese Government officials to come on bended knees every time they desired to obtain money from the Customs surplus for administrative purposes. His power has become greater than any civil officer in the Chinese Government. The Chinese—both the government and the people—have long been thinking that only by abolishing the office of Inspector-General they will be able to do away with the system of foreign over-head control.

It is claimed by foreigners, especially the British that it is a treaty right to have a Britisher as the Inspector-General of the Chinese Martime Customs. This has been so for two reasons: first, because of the predominance of British trade in China; second because of the treaty provisions. Therefore when we say the Inspector-General should be a Chinese, it looks as if that would be a direct violation of treaty. But after a close study of the treaties that were made between China and England, it is revealed that the treaty itself provides for a change of Inspector-General to a man of other nationality than British. One of the provisions of an agreement made between the Manchu Civil Governor and Mr. MacDonald, then British Minister to Peking, in 1898, says, "In case of the decline of the British trade in China, China reserves the right to appoint an Inspector-General of any other nationality than the British." It is now undeniably a fact that British trade with China has declined considerably during recent years. Therefore, to suggest that the Inspector-General should be a Chinese is not altogether nonsense.

It is also claimed that should the Inspector-General be done away with the value of bond issues would fall immediately. When Mr. Edwardes tendered his resignation, the British press in Shanghai expressed the opinion that something terrible was sure to happen unless the National Government urged Mr. Edwardes to stay. But in fact, it is not so. The Chinese domestic bond issues have gone up since the resignation of Mr. Edwardes, the reason probably being that the customs surplus or Customs surtax on which the bonds were issued are now controlled jointly by the Chinese bankers and the officials of the National Government, and such bonds stand higher in the market than the old bond issues of the Peiping government that are supposed to be guaranteed on the Customs surplus. That is to say that to abolish the post of Inspector-General will have no effect whatever on the public loan situation.

Whether this would be carried out at some future time, only our government will decide, but it is our earnest hope that the present tendency will be toward that direction, so that the present Bureau of the Customs Affairs may improve its credits and extend its powers, thus making it a "ready substitute" for the office of Inspector-General and making the director of the Bureau as a "ready substitute" for that of the Inspector-General. So long as the Bureau can hold the confidence of the creditor powers and maintan good credit, we believe no Power will oppose allowing the Bureau to take the place of the Inspector-General.

Mr. Edwardes' Exit

Mr. Edwardes, who fought so hard a year ago for his job, at last quit his job on his own accord. In tendering his resignation, he seemingly had bad motives in mind. Certainly, it was not his desire to see Chinese tariff autonomy declared, which would necessarily involve some big changes both in the Customs organization and administration, — which might deprive him of some of his powers. To be an Inspector-General in the old days under the corrupt government was certainly an easy and a good job. His idea was to "coax" the so-called Diplomatic Corps, a monstrous body. Instead of looking toward the Chinese Government for authority, the Inspector-General looked toward the Diplomatic Corps. But under the National Government, he was at once called upon to submit himself to the orders of the Bureau of Customs Affairs; his power came into conflict with the growing Chinese nationalism. Under these circumstances, the post of the Inspector-General became a very hard job. By tendering his resignation, his motive was to hinder the declaration of Chinese tariff autonomy, for it was his premeditated plan that his resignation would produce a tremendous effect on Chinese bond issues, that it would disturb the Chinese currency and hurt the credit of the Chinese Government, thus making it impossible for the Chinese Government to raise any capital for constructive work through the foreign loans. But no matter what motive he had, we regard his resignation as very "timely", as it provides a "good chance" for China to do away with the system of the foreign control over this Chinese Governmental organ.

F. W. Maze, the present Inspector-General, because of his faithfulness in serving the Chinese government, and broad-minded thinking, is welcomed by the Chinese. That constitutes irrefutable evidence to show that the Chinese have no idea to kick out all foreign employees in the Chinese Governmental organ. What the Chinese want is to get "proper foreigners" who will faithfully serve the Chinese government, and work for the Chinese, and care for the interests of the Chinese. But it is unfortunate for the Chinese that Mr. Maze can serve only two years more, for, according to the Customs regulations, after 60 years of age, employees must retire. Mr. Maze is now 58 years old. Whether the Chinese Government will ask Mr. Maze to continue in the post or will put in another man only time will tell. But it is our opinion that the Bureau of the Customs Affairs should, beginning from now, improve itself, extend its powers, strengthen its credits, preparing itself to take over such task in the near future. We do not propose the abolition of the post of the Inspector-General but we do hope earnestly that the Bureau will begin to prepare itself for said task. It is also our hope that some reputable Chinese will be first appointed as deputy Inspector-General—the first step towards such changes.

Customs Administration Should Be Reformed

To engage some foreigners in assisting in the governmental organs is common nowadays. But there is no governmental organ in any country in the world that has engaged so many foreigners and further has given them all high posts, as has the Chinese Customs House. Among 3219 Customs employees, 775 are British, 229 are French, 79 are Americans, 220 are Japanese, 31 are Italians, 8 are Dutch, 30 are Portuguese, 100 are Russians, 5 are Belgians, 53 are Danish, 5 are Spanish, 7 are Koreans, 31 are Norwegians, 17 are Swedish, 5 are Finns, with 20 more from eight different nationalities. The Chinese employees number only, 1606, and most of them are only low class clerks.

This gives us the impression that too many foreigners have been employed in the Chinese Customs service. To remedy this situation should be one of items of the programme for improving the present Chinese customs administration. But to eleminate all of them at one time is not recommended. The following steps, however should be adopted.

(1) In future no new foreign employee is to be engaged.

(2) All the foreign employees above 50 years old should be asked to retire.

(3) All newly engaged employees who have proved inefficient in their work should be at once dismissed.

(4) More Chinese should be promoted. Special promotion to higher rank should be given every year.

Thus by his process of gradual elimination, we will have no more foreign employees in the Customs House at the end of a dozen years.

London Office Should Be Abolished

It naturally follows that the so-called London Office of the Chinese Maritime Customs, which is one of departments under the Inspector-General, which exists for the sole purpose of enlisting British employees in London for the Chinese customs service, should be immediately and unconditionally abolished.

Marine Department Should Be Taken Back

At present one of the departments under the control of the Commissioner of the Customs is the "Marine Department" which is now in charge of the shipping, harbor affairs, light houses, bouys, etc. But we are of opinion that such works should be taken up by the Constructive Committee of the National Government. The Chinese merchants have been accusing the Customs authorities of "unequally" treating the Chinese and foreign merchants, such as fining a Chinese steamer company a sum of Tls. 500 for carrying one extra passenger, while no punishment would be inflicted on a foreign shipping company, for violating the same regulation. The Chinese have also been complaining that in case there is a collision between a foreign steamer and a Chinese native junk, and where the Chinese appeal to the Shipping Department to claim damages, the Department always gave them "unfair" decisions. As all these affairs, such as making regulations for shipping companies, laying the buoys, building light houses, etc. are not within the scope of the work of the Customs authorities, we propose that this work should be taken up by the Constructive Committee.

Abolition of Likin

Attaching to the tariff issues comes one important problem, that is, the abolition of Likin. Treaty powers demand its abolition, the Chinese demand its abolition. But in fact, Likin has done far greater harm to the Chinese than to the foreign merchants, such as taxing heavily the Chinese native goods passing from one place to another, blocking Chinese industrial development, preventing the free circulation of Chinese native products, etc. On the other hand foreign imported goods after paying the "transit duty" (2½%) at the port of importation are free to go to any interior part of China free from all other taxations. What likin has done

(*Continued on page 388*)

The Changing Status of Aliens in China

BY L. I. TSOK

It was Dr. V. K. Wellington Koo, of the defunct Peking regime, who was among the first to analyze the legal position of foreign nationals in this country, based upon treaty stipulations, in his famous doctoral dissertation on *The Status of Aliens in China* published in 1912. Later on other publicists, notably Dr. M. T. Z. Tyau in his *The Legal Obligations Arising Out of Treaty Relations Between China and Other States* (1917) and Professor W. W. Willoughby in his *Foreign Rights and Interests in China* (1920), further amplified the situation. Since then, however, conditions relating to both China's internal affairs and her external relations have somewhat changed and are at present considerably changing, so that before long Dr. Koo's book and others will have to be sweepingly revised so as to conform to changed conditions. Now that Dr. Koo is being relieved of his official capacity with all its glories as well as its worries, and therefore has all the time at his disposal, he might as well, like many others who have fallen into the same good or ill lot, attempt to perform another literary stunt to startle the world, so to speak, as a prelude to reinstalling himself into the official limelight. There is no doubt that Dr. Koo is watching the situation with keen interest.

Present Treaty Status

Such innocent impressions concerning China's once clever diplomat arise, of course, out of reading his above-mentioned treaties in conjunction with observing recent developments with respect to the treaty relations between China and the foreign Powers. Up to the moment of writing practically all the principal Powers having treaty relations with China, except Japan, have signed reciprocal agreements recognizing China's right to tariff autonomy.

Among them some have in addition agreed to relinquish extraterritoriality. Despite criticisms having to do with portions of the Belgian and Italian treaties, it is indeed a remarkable achievemnt on the part of Foreign Minister Dr. C. T. Wang and his school of diplomats to be able to secure the unanimous consent of the Powers on this one issue, a consent which was formerly thought impossible of obtaining. Incidentally, the case goes to show the advantages of separate negotiations over the deliberations and settlement to be arrived at out of an international conference. Japan is the only Power that is still holding out, thus constituting, as she has ever been, a stumbling block in the way of the realization of China's ligitimate aspirations. Nevertheless Japan's opposition is not taken seriously as it is not supposed that it will have any effect upon the coming into force of China's new tariff schedule on February 1. Eventually Japan will find that it is to her advantage to come into an understanding with China.

China's Fight for Equality

For well-nigh a century China has been bound by the shackles of the so-called unequal treaties, which have guaranteed to nationals of foreign Powers residing in this country a special, privileged position as regards their person, property, and trade in derogation of China's sovereign rights. First at Paris and then at Washington China fought to pull down that special, privileged position. The latter Conference provided, among other things, for the convening of a Tariff Conference and sending of an International Commission on Extraterritoriality to decide upon China's claims. In October, 1925 the said Tariff Conference was held in Peking (Peiping) in which tariff autonomy to China was agreed to in principle. The Commission on Extrality after a tour of the country met in Peking in January, 1926 and made certain recommendations as conditions for the abolition of extraterritoriality. These recommendations, it may be said in passing, have been met either in full or in part by the Chinese government. Granted that some have not been satisfactorily fulfilled, provisions and guarantees can be easily made for their fulfillment. So nothing now stands in the way except the die-hard attitude of the foreign Powers.

Are the Treaties Really Unequal?

At this junction, it may be well for us to divert and ask ourselves, "What, after all, are the unequal treaties and are the so-called unequal treaties really unequal?" The term unequal treaties embraces many things. Besides extraterritoriality and tariff restrictions may be mentioned treaties providing for: most-favored-nation treatment as applied to China; leased areas, treaty ports, concessions and settlements; inland navigation; the plying of foreign warships and the stationing of foreign troops; spheres of interest; control of loans; special protection of missionary enterprise; and so on and so forth. These very names suggest that they are anomalous in the present state of international affairs. If these provisions were not unequal what would the proud Americans say for instance when Japanese men-of-war were allowed to appear, say, in New York harbor, or what would the diminutive but formidable Japanese say if the governing board of the municipality of, say, Yokohama or Kobe were composed of a majority of Americans and Britishers, or what would the sensitive though no less overbearing Britishers think when they borrowed money from America for constructive or destructive purposes that they had to employ Americans to be their chief engineers and accountants and that they had to buy American goods and materials for those enterprises.

Strictly speaking, however, there is no such thing as the inequality of treaties. It is clearly an inconsistency in terms. In regard to the binding force of treaties T. J. Lawrence in his *Priniciples of International Law* (Pages 326-328) has this much to say: "In the eye of International Law treaties are made to be kept. The obligation is perpetual unless a time is limited in their stipulations or they provide for the performance of acts that are done once for all, such as the payment of an indemnity or the cession of territory. That they were extorted by force is no good plea for declining to be bound by them. Most treaties of peace are made by the vanquished state under duress; but there would be an end of all stability in international affairs if it were free to repudiate its engagements on that account wherever it is thought fit. The only kind of duress which justifies a breach of treaty is its coercion of a sovereign or plenipotentiary to such an extent as to induce him to enter into arrangements that he would never have made but for fear on account of his personal safety." (To this class of engagements may be included Japan's famous Twenty-one Demands of 1915, which, by the way, were never ratified by the then Chinese Parliament, as were most other engagements entered into by minor, local, and otherwise irresponsible officials, a condition then embodied in the laws of China.)

All this sounds very well. If the priniciple is unqualifiedly applied to the case of China she will be literally bound hand and foot by the hard and fast irons of the treaties, and the only way to unshackle herself is by the superior force of the flesh. The latter is quite possible, but it may not be necessary nor desirable. Fortunately, into the domain of international law enters a sense of justice and morality. Continues the same authority, "But though the obligations of treaties, with the exceptions just mentioned, are perpetual as far as the utterances of International Law are concerned, it is clear that they cannot remain unchanged forever. As circumstances alter the engagements made to suit them go out of date. When, and under what conditions, it is justifiable to disregard a treaty is a question of morality rather than of law. Each case must he judged on its own merits." It is upon this ground, i. e. the obsolete nature plus another, the unilateral feature, of the treaties that China bases her claim of inequality and fights for their speedy abrogation. It is not necessary to search into the separate documents in detail to find the presence of these two characteristics in general and other unfair and inequitable features in particular.

A Battle for "Face"?

China sees today that the old treaties which elevate the status of foreigners over that of the Chinese are no longer tolerable. Just as in the year 1842, and after, the foreign Powers under the leadership of Great Britain fought China for equality in mutual intercourse (although later on they came to assume superiority), so China today, at the threshold of a new national life, is fighting for the same cause of equality. The present movement for new and reciprocal arrangements aims at, therefore, not so much the material advantages that may be derived therefrom as the elevation of national honor and prestige. Reduced to the simplest formula, it is the same old story of a battling for "face" which characterizes the Chinese no more than the foreigners.

Chiang Kai-shek's Life or the "Treaties"?

If reports are correct, General Chiang Kai-shek is said to have pledged his life for the abolition of the unequal treaties and the withdrawal of foreign troops from Chinese soil within three years. In his eager attempt to quell the recent student rioting and demonstrations in Nanking, our esteemed President might be a little out of his head himself, which was quite possible under the circumstances even with men endowed with great presence of mind; or he was resorting to expediency. Otherwise, General Chiang must be positively sure of what he was pledging, that is that the unequal treaties would be abolished and foreign forces withdrawn within three years. However, after all is said and done, we wish that by the end of three years or perhaps earlier it is the unequal reaties, and not General Chiang's head, that would be off the slate.

Amoy, China. January 9, 1929.

A Practical Educational Movement

BY OLIVER J. TODD

AFTER nearly ten years experience in the practice of engineering in China the writer feels that a suggestion may be made regarding the training of staff in his profession. It is a particularly opportune time to discuss this subject when the attention of the Chinese Government is so earnestly called to the problems of reconstruction and the building up of public utilities generally.

To unify the nation and raise the standard of living so that famines will cease to recur and men will no longer be driven to banditry even in the far lying provinces, China must have better communications in the way of railways and motor roads. She must also have a better system of river control and irrigation to insure a steadier food supply. These problems are pressing and require able staff for their solution after the Government has definitely decided to strongly support a modern engineering program.

The question has been repeatedly asked: "How has America come forward so rapidly in an economic sense?" Why does she have today 275,000 miles of railway to China's 7,500? Why does she have three million miles of roads used by motor cars while China has but 20,000 or less? China's potential wealth is said to be nearly as great as that of America. Her man-power is much greater, yet her productivity is much less. Many reasons can be given for America's ability to progress industrially and to rapidly weave a net-work of motor roads and railways that make the nation homogeneous. But first and foremost of the causes we must agree are intelligent team-work and the will to carry on through thick and thin with a full appreciation of the value of well-trained staff.

The Need for Civil Engineers

First in railway work and later in motor road construction America has been training men for years so that a large engineering personnel has grown up that *knows the work*. After leaving engineering schools men are not suddenly thrust into positions of large responsibility but are placed under older men where they work and learn for several years, gradually being promoted into senior positions. The older men assume the main responsibilities for carrying through the work to completion. What a fine thing it would be if China today had a few thousand well seasoned civil engineers who could at once assume major positions in the field of reconstruction, motor road building and river control.

Many young men have taken engineering courses in colleges in America and Europe. Few of these men have had the opportunity to get practical field experience in China and to learn how to handle large numbers of men and to overcome the many difficulties that every engineer must meet in China today in pioneer field work. These past few years of changes and civil war have not seen much civil engineering work carried on in this country. The small staff of experienced men that was here a few years ago does not seem to have greatly increased. Of the ten American engineers who were on the investigations of the Grand Canal nearly ten years ago all are gone to America except the writer. They were all trained men with experience in handling men in the field or as members of engineering college faculties. Two of these men remained a number of years in major positions and helped to train younger staff. They left China for one reason or another the chief one being that the engineering profession was not being respected as it should be. They saw no future in the work here.

This situation should be remedied at the earliest possible moment. China needs to encourage the engineering profession if she is to have good motor roads, to extend her railways, and control her rivers. To develop the profession requires hard work outside of colleges. It is to help in remedying this situation that I have discussed with my own University (The University of Michigan) the desirability of certain post-graduate training in China to assist in giving the returned student engineers the opportunities in their own country that we enjoyed as young graduate engineers in America.

"Michigan in China"

Since seven out of ten of the American engineers of the Grand Canal investigations of ten years ago were "Michigan" graduates the ground has already been prepared for sympathetic cooperation there. A "Michigan in China" to assist in training men in the field in practical engineering was taken up by correspondence several years ago without success. On my recent trip to America I again urged this matter and found the Professor in Charge of the Transportation Department of our Engineering College most enthusiastic in its support. He is now working on the matter, urging the President of the University to make this work a definite part of their post-graduate school so that they can take from their annual budget about $50,000 (U. S.) a year a tthe beginning to pay for picked staff experienced in road work. This staff would work under the Chief Engineer of the China International Famine Relief Commission in various parts of the country and would be responsible for carrying through definite field assignments while at the same time training young Chinese engineers.

To be successful, of course, it is necessary that this training extend over a period of several years in order to properly train up a group of men in considerable number who can stand on their own feet and handle their work in spite of local difficulties. It is not wise to bring American engineers into the China field for only two years for they have many things to learn here regarding adaptation of American methods to China conditions. The plan is only sound if conceived on a long term basis, say eight or ten years. It must also have the cordial support of the Chinese Government to be successful in a large way

The automobile industry in Detroit and elsewhere is studying this matter with Prof. Worley of Michigan and it seems quite likely that it will give substantial financial aid to this movement if given proper encouragement from China. This school will require no professors' residences or college buildings. It will be a school in the field, mobile and highly practical. Later an arrangement for lectures in the various engineering colleges in China might be arranged. Primarily this will be a post-graduate school for field training in engineering.

A petition to the University of Michigan requesting support as above outlined was drawn up last spring and circulated in North China among the Michigan alumni, all of whom signed it. This petition was duly presented to Dr. Huber, Dean of the Graduate School at Michigan on November 6th last. The matter was also discussed with Dr. Jeremiah Jenks (a Michigan graduate) who will give it his support.

This plan will include a Standing Committee of Michigan alumni in China who will represent the University in safeguarding such funds as may be sent out for this work. This committee will require of the China International Famine Relief Commission through its Chief Engineer an annual budget showing the probable field of operations for the ensuing year. At the end of each year it will also require a report on the work accomplished, including construction supervised, investigations made, and students trained.

The Need for Roads

The fields of operation will be such important works as may arise in the various provinces where trained staff is inadequate but labor for the work can be furnished by the local governments such as was done in Kweichow. In Shansi, Kansu, Szechuan and other distant provinces motor roads are needed and can be built by native labor and materials with very little outside aid. It is here proposed that the outside aid be in the form of experienced staff.

In all this work it is proposed that there be a complete understanding with the local Governments so that the specifications of experienced engineers will be followed but the acquiring of rights-of-way, materials, tools, etc and the furnishing of the necessary labor and the keeping of order on the work will be handled by local officials in connection with the central government.

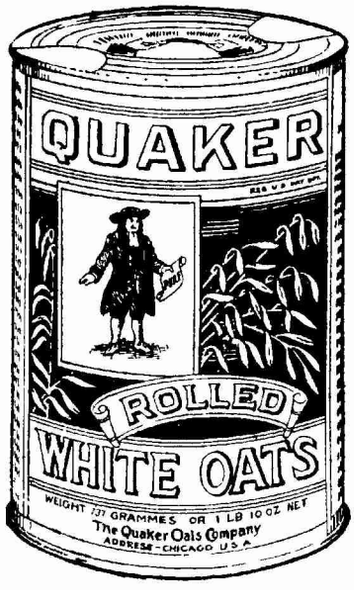
The Engineer-in-Charge of any project, will advise with the local authorities but will have the same powers that engineers in similar positions have in other countries. He will have the deciding word on technical matters. He will require as high a class of work on the part of his assistants and the workmen as in his judgment the circumstances warrant. Maximum grades, alignment, width of road, crown, type of culverts and bridges etc. will be decided upon in conference with the local road bureaus where such exist.

Should difficulties arise that can not be settled locally the Chief Engineer of the Famine Commission will make such staff changes as will seem approriate. Should any engineer furnished by the University prove unsuited to the work in China the Standing Committee in China will arrange for replacement on consultation with the Chief Engineer of the Famine Commission.

The assignment of this staff will be through the Chief Engineer upon invitation of the provincial authorities concerned and will be to those regions where the need seems greatest and the cooperation best. Junior members of the staff will be paid for by the authorities of the province in which they work but will be selected by the Engineer-in-Charge of the project. Student engineers from various colleges will be taken as assistants on a plan to be arranged whereby they are given a mere honorarium and free training for the first year in return for such services as may be required from them. They will be under strict discipline as a part of the engineering organization for that project. At the end of the year they will be

(*Continued on page 388*)

THE 4 MORNING HOURS



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Japanese Peasants Revolt Against Victimization in Government River Plan

A widespread movement of peasants against prefectural officials in Gifu Prefecture, in central Japan, in connection with a proposed scheme of river alteration, resulted in the resignation of over forty village heads and other officials, a mass protest to the Governor, a serious clash between villagers and police with many casualties and the calling out of troops, soldiers being dispatched from Tsuruga. The Governor fled to Tokyo.

The alteration in the course of the Sai River (Saigawa) is a part of a more comprehensive scheme of controlling the tributaries of the Kiso River, a plan expected to increase the flow of water and facilitate irrigation over a considerable amount of agricultural land. There are a number of districts, however, which formerly suffered severely from floods, and much of which are former swamp land which has been reclaimed only through long and unremitting labor on the part of the famers involved, as well as a heavy burden of special taxation borne by them. Much of this land, it appears, will again be flooded if the new scheme goes through, and apparently no compensation has been offered by the authorities to those who will be deprived of their farms and homes by the change.

These peasants protest bitterly against the proposal of the authorities to sacrifice them in order to improve or reclaim other land. On January 6 over forty village heads and other local officials held a general meeting, and the following day presented their resignations to the Governor at the Gifu Prefectural Office.

Some 1,400 peasants followed them to the Governor's office, where the police interfered with their progress. There was a collision, but no serious injuries.

Attack Village Office

The Governor left for Tokyo while the crowd was waiting outside his place, his representative promising that he would see them. The Governor proceeded to nominate village heads in place of those who had resigned, but when one of these attempted to assume his duties in Namori-mura on January 8 feeling ran high among the peasants, and about a hundred villagers assembled and attacked the village office. Police were already posted there, and there was a serious clash, discontinued late at night, but next day, when the whole village had been called up by the fire bell to join in the attack, there came a pitched battle between more than a thousand villagers and some three hundred policemen who had been brought in. According to reports received here, there seem to have been about forty casualties. Many of the villagers carried bamboo spears, the traditional weapon of the Japanese mob.

Several hundred police arrived in the village in the course of the day, and the battle turned against the villagers. The situation was not secure, however, until the arrival of a hundred and fifty soldiers of the Nagoya regiment. Following this there have been wholesale arrests.

There is no complete list of casualties to date. Two men are reported as mortally injured, one a villager and one a police sergeant.

The former village heads went to Tokyo to present their protest to the Home Office of the Japanese Government, declaring their resolution never to compromise. "During the past fifty years by dint of our efforts we have reclaimed waste land into fertile soil, and now the Home Office intends to let through this reclaimed land a river to drain water from elsewhere."

The Government, on the other hand, declares that "no amount of riotous demonstration by the people of a limited locality will influence the Home Office to alter its plan". A conference on the subject decided to deal with the subject by:

1) Using troops to put down riots;

2) Arrest of all ringleaders and indictment for inciting to riot;

3) Carrying out the project to straighten the Sai River as originally proposed.

Who Is Responsible?

A *Toho* dispatch from Tokyo dated January 10 reports as follows:

As regards the agrarian riot in Gifu Prefecture, the Minseito, Opposition, holding the view that the Government shall be held responsible for the upheaval, has decided to despatch its two M. P.'s to the scene to make detailed investigations. On the other hand, the House of Peers, too, is attaching much importance to the uprising, for it suspects that the attitude of the police might have enraged the villagers.

Upon receiving the report that the mobilized troops had no necessity of taking any action, for no further disturbances have been created by the villagers, the Home Office authorities, as the result of a meeting, are reported to have reached a decision that the original plan for improving the Saikawa River (which is the cause of the rioting), shall not be dropped, though they say they don't mean to ignore the will of the local populace.

Great China Company
Finest Depart

VISITORS from Europe and America always are amazed at the modernity of Shanghai's shopping district. Few of them have envisaged in their dreams of the Orient anything like the development that is taking place on Nanking Road. The New Yorker favorably compares it with Fifth Avenue and the Londoner realizes that Piccadilly is not so immeasureably ahead of Shanghai's best department stores as he had imagined.

Wing On's, Sincere's and Sun Sun's have been called by many tourists "the most interesting stores in the world." And indeed it is doubtful if anywhere one can find greater entertainment than a tour through one of these shops. They usually have all that the West can offer, supplemented by features distinctly Oriental, and by articles of the "made in China" type often found nowhere else on earth.

Thus news of the erection of an even finer structure than any of the buildings occupied by these stores is of more than local interest. Anyone who has ever visited Nanking Road, and been held under the spell of its unique attractions, will be curious as to the nature of this new venture, the Great China Company, a huge combined department store and hotel which will rival if not surpass any similar project in the Occident.

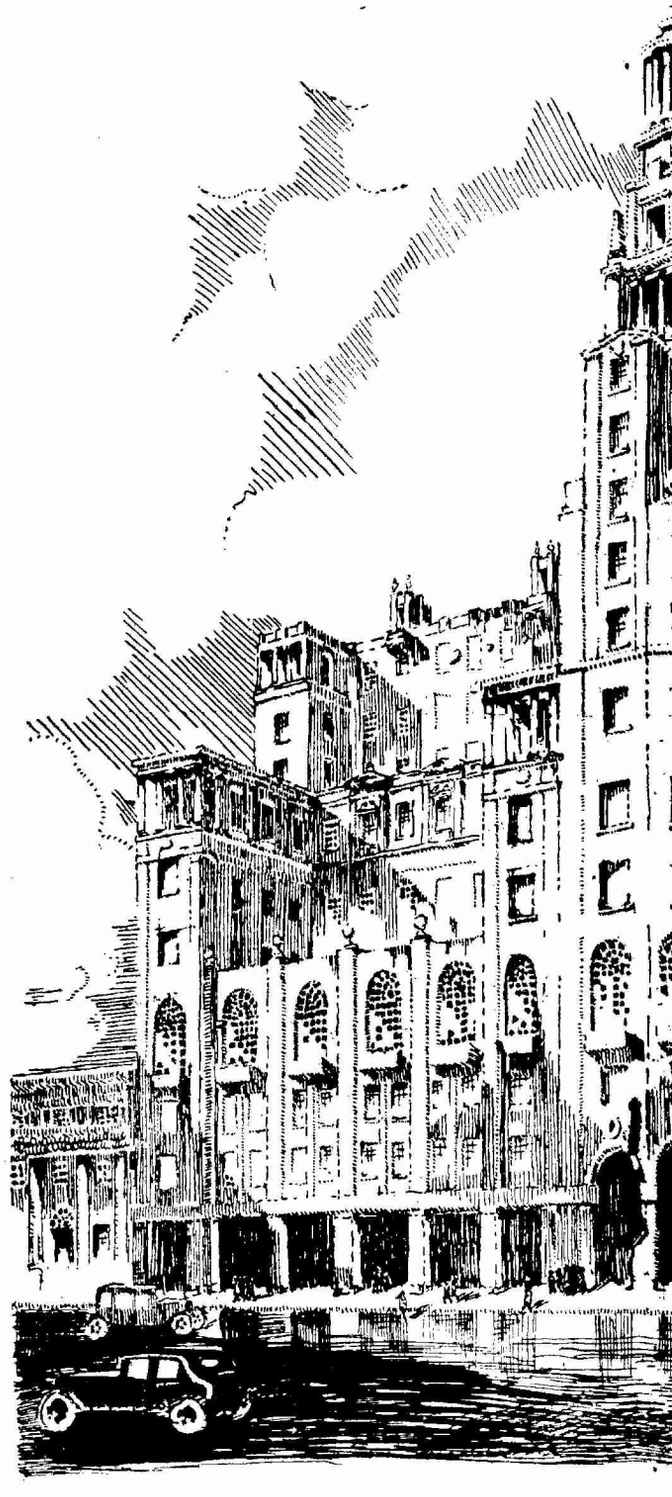
The northwest corner of Fukien Road, where it intersects Nanking Road, has been selected as the site for the Great China Company's interesting undertaking Soon after the Chinese New Year work will begin on the building, which will be equipped throughout with the most modern fixtures. Fifteen stories high, tapering into a slender graceful tower, it will add an imposing note to Shanghai's skyline. In a few months the already fiery golden glow that hovers above Nanking Road will be intensified by the electrically illuminated dome of the Great China Company's building.

A number of new features will be introduced by the management of this organization. The Company will be among the first to adopt the profit-sharing system, an employees' benefit, which in other countries has proved vastly popular and has helped to secure loyalty and cooperation among the members of the staff, at all times.

Automatic cash carriers will obviate the annoyance of the cash boy's procrastinations. Everything that will add to the customers' conveniences has been provided in the store's plans.

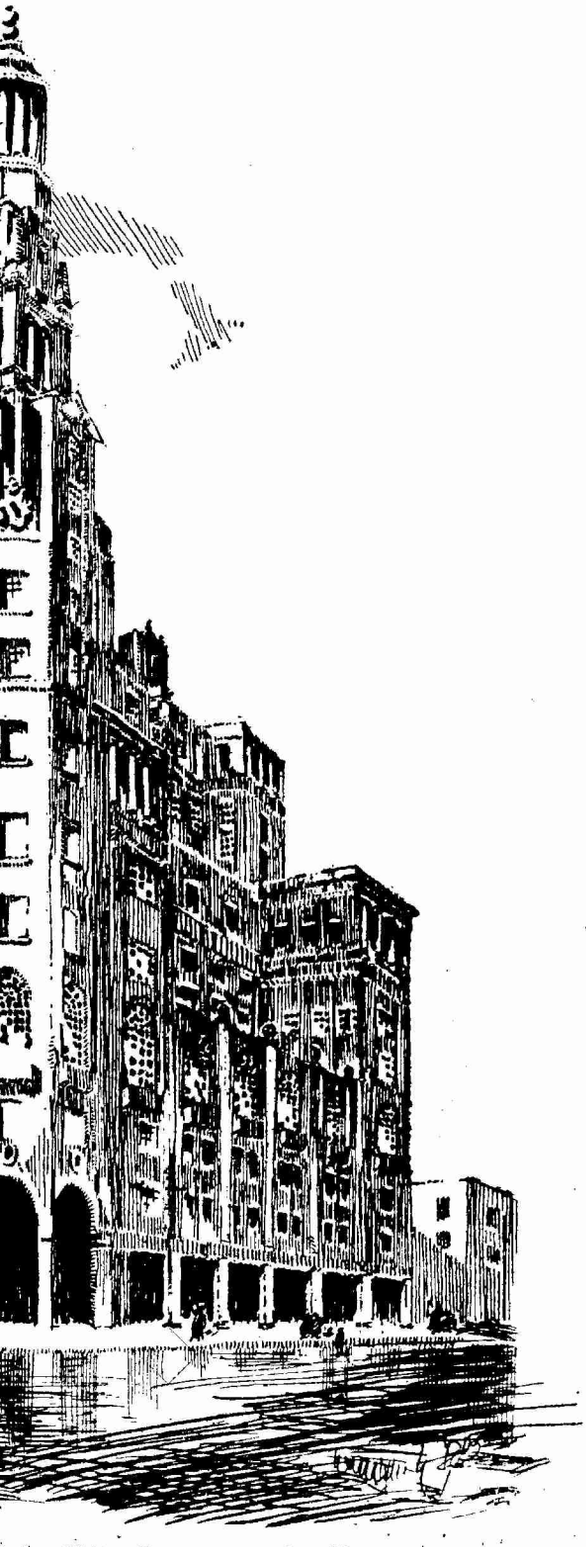
The Orient's first real effort at a "Five and Ten" comparable to the Woolworth system, where articles do not exceed ten cents in cost, will be incorporated in the store. A special department in the basement will be devoted to the sale of this type of merchandise.

There are many reasons why the organizers of the Great China Company feel that their ideas will be crowned with success. They point to the obvious need which exists in Shanghai for another department store-hotel, as shown by the rapid growth of enterprises of this nature operating at present. For instance the business of one store in Shanghai within seven years has incereased from $2,000,000 annually to more than $11,400,000 annually, a growth which is even better demonstrated by the fact that profits during the same preiod rose from $150,000 per annum to $1,169,643 per annum. Besides their investments having doubled in value, every four years, the shareholders have received each year a dividend of between 10% and 15% per annum on their money in this company. The fact that Shanghai now becomes not only the commercial center but also the political center of China through the selection of Nanking as capital makes success assured.



Drawing of 15 story building of the G
appear when completed. Rendered by

Will Rival Occident's ment Stores



reat China Company, as it will
Cumine & Company, architects.

The Great China Company will enjoy several important advantages over all of its competitors. It is not to be burdened by a heavy investment in the land and building as these are to be owned by independent interests, thus relieving the Company of carrying large fixed assets. The depreciation of the building, which is to cost nearly two million dollars, will not affect the financial position of the Great China, since it does not participate in its ownership.

The hotel, which is a part of the scheme of the new project, will provide about 300 rooms, a number which greatly exceeds those of any of its competitors. It will be also provided with a cooling system. The hotel business is a profitable business in view of the fact that one hotel having only 125 rooms is making a profit of not less than $650,000 a year. In connection with the hotel there will be a restaurant containing banqueting halls; a ball room and a grill room which will carry a menu of dishes from all nations, though special emphasis will be placed upon the more delectable Chinese dishes; a cafe where both Occidental and Oriental beverages will be obtainable; and amusements resorts, on the spacious roof garden, where the weary shopper, or the pleasure seeker, alike may avail themselves of a wide variety of entertainment. Easily accessible, because of its convenient location, the building should attract patronage from both the residential sections and the business districts, since it is not far distant from either. It is believed that the Company's policy of carrying comprehensive stocks of domestic merchandise, articles displaying the "made in China" mark, will prove satisfactory both to foreigners and Chinese, who in the past, except for very common products, have had to ferret out what they wished from the isolated stocks of special shops in widely scattered sections of the city.

The Great China Company is a happy combination of the best that is old and new in Cathay. A reliably sponsored organization, it unites the active, progressive spirit of its managers with the years of experience of the oldest Chinese on its directing board. Mr Wong Ton On, a graduate B. A. from Hongkong University, and for many years manager of the Sun Company's store in Hongkong, is the present general manager of the Great China Company. The Hotel manager, a man of many years' experience in this work, is Mr. C. Y. Huang. Mr. Kwong is in charge of the savings department of the store and Mr. T. S. Wang, a graduate of the University of Pennsylvania, is business manager. Among the directors are Mr. Chang Bing Cheng, a director of the Commercial and Savings Bank and formerly director of the Sun Sun stores; Mr. Ng Yu Ting, wealthy merchant, Mr. Chang Dan Yue, wealthy Shanghai merchant and owner of the property upon which the building will be erected, and others of the same high standing and repute.

The company has been regestered with the National Government as a limited liability corporation and shares which are quoted at the popular price of $10 each, are selling rapidly and, it is reported, the number allotted for Shanghai territory have all been bought. Now the enterprise is attracting nation-wide attention. The directors very wisely have chosen to make the shares of a denomination within the reach of even the small-salaried clerk, for it is felt that the larger the number of share-holders the greater will be the cooperation for the venture's success. With the continuance of such shrewd yet democratic policies as the Great China Company obviously is pursuing at present there seems little reason to doubt that a prosperous future awaits the inauguration of the services of this latest monument to the commercial progress of New China!

Temporary offices of the Great China Company are established at 90A Tang Fung Lee, Szechuen Road, where those interested may obtain the Prospectus and Articles of Association.

Lead in the Far East

BY BORIS P. TORGASHEFF

(Sometime Lecturer of the Peking National University).

IN order to correctly estimate the value of lead resources in the Far East it becomes necessary to know the general situation on the world's market of lead. This may be represented by the below table, showing consumption and production, summarised by the author after the world's statistics of "The Engineering and Mining Journal Press" of New York and the "International Bergwirtschaft" of Leipzig, October 1928:

Table No. 1.

The world consumption and production of pig lead.

Year	Production in metric tons	Consumption in metric tons	Average prices in £
1902	880,000	880,000	—
1909	1,085,600	1,080,600	13 - 1 - 8
1910	1,132,900	1,115,700	12 - 19 - 9
1911	1,117,800	1,133,100	13 - 19 - 2
1913	1,207,300	1,201,300	19 - 4 - 0
1916	1,200,000	1,200,000	—
1922	1,060,400	1,061,300	28 - 0 - 0
1923	1,168,900	1,147,700	35 - 10 - 0
1924	1,325,000	1,300,000	32 - 13 - 11
1925	1,499,000	1,375,000	37 - 8 - 4
1926	1,583,000	1,583,000	31 - 1 - 5
1927	1,642,000	1,642,000	—

The first circumstance which the above table makes very obvious, is the steady rise in the price of lead, ***almost tripled*** since 1909. The production of lead cannot keep step with consumption, and the entire new production is annually absorbed by the market. Because of the demand which has manifested itself during the past two or three years the opinion is being expressed that if the world production of lead were able to satisfy the consumption in full, lead would be required 1928 by the market to the extent of approximately 2,000,000 tons, i. e. one and one half times the present consumption.

The principal producer of lead is the *United States of America*, which at present smelts more than 40 per cent of the world's production of this metal. Follow *Mexico*, *Australia* and *Spain*; these four countries together are the producers of 72 per cent of the world production. In Spain is noticed a definite falling off in the lead industry because of the country's stores of ore becoming exhausted. Canada, on the other hand, has shown considerable growth in its lead production, which from 16,000 tons in 1913 went up to 100,000 tons in 1925. In Australia the production also grows, although slowly.

The growth of the world production of lead, by country, is illustrated by the below table, compiled by the author from The Mineral Industry of the British Empire and Foreign Countries. Statistical Summary of The British Institute, issued in 1926:

Table No. 2.

The World Smelter Production of Lead by Country

Countries	1913	1922	1923	1924	1925
	In thousand long tons				
United States.....	398	415	516	561	655
Mexico.....	62	120	141	132	181
Australia.....	123	110	122	128	149
Spain	198	100	125	139	110
Canada.....	16	37	45	58	111
Belgium.....	53	40	65	77	—
British India (Burma).....	—	40	46	52	48
Germany.....	—	—	34	49	46
Total, include-others	1,207	1,060	1,210	1,320	1,540

Just prior to the war two new sources of lead attracted general attention, viz. *Burma* and *Siam*. Large capital has already been invested in both these countries: in *Burma*—*British*, and in *Siam* principally *American*. The new enterprises in both countries are modernly equipped with dredges, and great hopes are entertained for them inasmuch as the production of lead by the former supplying countries is rapidly coming to the point where no further development of the industry is possible.

Compared with pre-war times, the consumption of lead in Europe had by 1923 decreased by more than 240,000 tons, but at the same time, it increased in the United States approximately by 150,000 tons. In round figures it may be stated that as a result of these changes Europe requires an annual importation of 200,000 tons, and the United States of over 50,000 tons of common raw metal, as bullion, pig lead, bars, etc.

The Far East

These general conditions of the world market in lead manifestly indicate that the Far East has every possibility of benefiting by them by developing its own production of lead. However, so far nothing has been done in this direction although with its large stores of lead the Russian Far East undoubtedly could play a role on the world's market.

We see, instead, exactly the opposite; the Russian Far East, and the Far East as a whole, is still dependent upon importation of lead from abroad. This is the more strange as in the Far East all conditions exist for covering not only home requirements but for being a seller on the world's market of lead from its own stores.

The below table gives date relative to the present production of lead *in the Far East* (in the table lead ore for export is expressed in terms of metal):

Table No. 3.

Smelter Production of Lead in the Far East

Countries	Metric tons	Value in U.S.S.	Remarks
China, incl. Manchuria....	3,503	605,664	*1925.* Geological Survey of China. Hk. Tls. 757,080. Concentrates: 15,500 metr. tons for Hk. Tls 777,500 (at 80) (Production in South Manchuria in 1924—947 metr. tons).
Japan proper.....	3,337	685,003	*1925.* Japanese Mining Bureau. Yen 1,370,006.
Korea	485	128,561	*1925.* Japanese Mining Bureau. Yen 257,122.
Russian Far East.	—	—	Production interrupted in 1906. Previously mined 21,780 metric tons.
Indo-China	369	61,992	*1925.* Indo-China Geological Survey.
Total s	7,694	1,481,220	— — —

This represents 0.5 per cent only of the world production of metallic lead in 1925. Although further in this article we give some more recent data, the above table, in order to be complete, could not be brought up to any later year than 1925. However, it is quite typical for 1926-28 as there has not been change for any considerable improvement of situation.

At the same time the consumption of lead in the Far East considerably exceeds production, as expressed approximately by the below figures:

Table No, 4.

Consumption of Lead in the Far East

Countries	Metric tons
Japan proper	44,000
China	12,000
Russian Far East	450
Indo-China	400
Philippines	400
Korea	200
Formosa	100
Total	57,650

At the rate of U. S. $168 per ton, as in 1925, it will make the total value of the Far Eastern consumption at U. S. $9,685,-200 per year.

The World's Consumption

The character of the general world consumption is well expressed in the following table, showing that Europe and America (principally the United States) consume 9/10 of the entire annual world production of pig lead:

Table No. 5

The World Consumption of Pig Lead

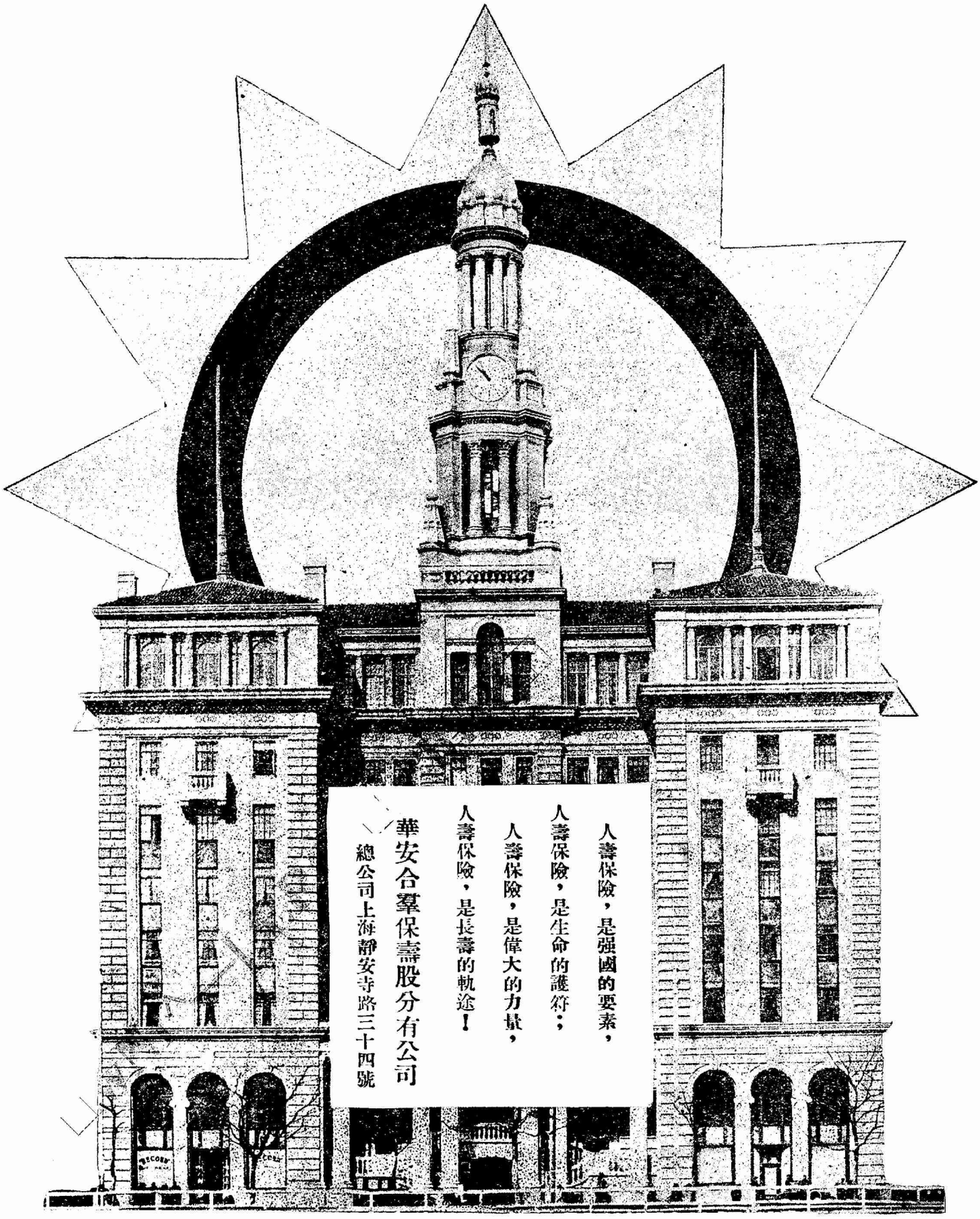
(In thousand tons)

Continent	1913	1922	1923
Europe	725.6	487.7	485.4
America	434.5	494.8	592.3
Asia	25.4	60.8	75.0
Australia	9.6	10.0	15.0
Africa	6.2	8.0	10.0
Total	1,201.3	1,061,3	1,447.7

This table, by the way, shows how rapidly the consumption of lead grows in Asia, having almost trebled within the past 10 years. This growth is clearly due to demand in Japan and China, which countries at the present time suffer acutely from lead shortage and high prices on the metal.

***

The world's price on lead is established in New York, because of the fact that the United States are the greatest smelters as well as consumers of the metal. We are giving



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below the average annual prices on lead in New York for the past years as compared with pre-war prices:

Table No. 6

Average Yearly World Prices on Lead

Year	U. S. $ per metric ton
1912	99
1913	96
1919	127
1920	175
1921	100
1922	126
1923	160
1924	147
1925	168
1926	155

In recent past, the price of lead has varied from extreme minimum of 3 gold cents per lb, to maximum of 7 gold cents, ruling in late years not far from 5-6 gold cents per lb. Each per cent in a ton of ore means roughly a value of Gold $0.80, of which the miner may expect about 40 cents gold.

The Russian Far East

The Russian Far East, as far as may be judged from the survey of silver-lead deposits of the entire Far East, is the richest country in the Far East in lead. There is even grounds to believe that the actual reserves of lead of commercial value in the Russian Far East exceed estimates made, inasmuch as surveys made more in detail subsequently bear witness to the fact that there are greater number of deposits of lead ore than was expected.

The existence of lead ores is known over the entire Russian Far East, but, as it has been shown in the special article on silver, published in *"The China Weekly Review,"* 5 / 1, 1929, the principal centres thereof are to be found in the *Nerchinsk* district of Zabaikalia and in the southern part of the Maritime Province,

In the same article on silver was indicated that the average metal contents of the lead ores in the Nerchinsk district is 6,1 per cent, according to all of the lead deposits known, and such, according to the Far Eastern Concession Committee, there are up to 500. Such competent Russian authorities as Ozerovsky and Eichenwald claim that rational lead and silver mining should give results which exceed all anticipations. Through their investigations they have concluded that one metric ton of average ore from the Nerchinsk district yields 92.1 kilograms of lead (3 Russian pounds 66 zoltoniks per pood), exclusive of 3.9 kilograms of silver per ton (approximately 15 zolotniks per pood). Certain deposits of ore, such as for instance on the Algachinsk mines, yield approximately 185 kilograms of metallic lead per metric ton.

Besides the Nerchinsk district and the silver-lead-zinc ores of the Tetiuhe region, there is no doubt but that lead exists also in many other parts of the Russian Far East, but at the present time there are not as yet sufficient data on hand to estimate the reserves existing. With regard to lead deposits, preliminary estimates have been made covering only these two regions.

The Nerchinsk District Mining Administration, in its Special Report prepared to celebrate the three hundred years anniversary of the House of Romanoff, estimated that the untouched reserves of lead in the Nerchinsk district alone amounted to 100,000,000 poods, or 1,638,050 metric tons of metallic lead. A British company, the Russo-Asiatic Consolidated, Ltd (Leslie Urquhart), which was permitted during the war to make a detailed survey of so-called "Cabinet" (Imperial Family's property) government mines in Zabaikalia, found that in the *Kadainsky* silver-lead mine, which has been exploited for the past one hundred and fifty years, there remain untouched reserves of lead to a value of about 26,000,000 American dollars. The same holds true with regard to other old mines, of which probably not a single one has as yet been exhausted. More than that, it has been estimated that dumps of ores already used contained, on the average for the entire Nerchinsk district, 3.5 per cent of metallic lead. No estimate has as yet been made of the lead reserves of the entire Tetiuhe region, but P. I. Polevoy gives the figure of the untouched reserves of metallic lead already discovered in the Tetiuhe region as 211,800 metric tons, figuring the ore to contain 12 per cent of metal.

The production of lead in Zabaikalia Province dates back to 1807, and the lead was at that time destined for the Altai iron foundries. With the opening of the Trans-Siberian Railway lead found a market in Russia, which country had earlier imported its lead from abroad. However, the mining of lead was never done here on a large scale as a result of the poor equipment of the mines and the antiquated methods of mining pursued by the "Cabinet."

As has been stated above, the work of the Zabaikalian mines was interrupted in 1906 prior to the re-equipping and the re-organization of the enterprise. During the period of exploitation of the Nerchinsk silver-lead mines a total of 21,780 metric tons of metallic lead were obtained as a by-product from the mining of silver, which formerly was the only excuse for the existence of the mines. *It is not uncommon, therefore, to find in many places at abandoned old mines right on the surface enormous dumps consisting almost entirely of galena and zinc-blende.*

The present consumption of pig lead in Russian Far East is very small. P. I. Polevoy considers that it varies between 180 and 450 tons per year, but it should not be forgotten that Russia proper is poor in lead, and prior to the war it could with great effort cover by its own production only 2—3 percent of its requirements, the balance being imported from abroad. This evidence of the extent to which the Zabaikalian lead is favorable to interior market conditions. Lead mining may, however, be developed very satisfactorily to take care not only of home requirements; China and Japan have long since been buying and will be compelled to buy for many years to come lead to a value of not less than 10,000,000 dollars yearly.

During the war the Tetiuhe mines exported successfully abroad their lead concentrates (containing 70-72%), but the most profitable method for the Russian Far East were rational smelting of lead on the spot and its sale on the home and foreign markets.

According to the recent information of the Russian Far Eastern Statistical Board, there was exported from the Russian Far East, in the fiscal year of 1926-27, 2,249 tons of lead ore and concentrate at the aggregate value G. Rbls. 388,000.

In summarizing all that has been said, it may be stated that the production of lead in the Russian Far East may become one of its most important items of revenue and may have a definite future, but for this is required complete re-equipment of the mines and the investment into the industry of large capital.

China

Lead ore deposits are found in China in a number of provinces, as for instance—in Hunan, Yunnan, Szechuan, Kweichow, Chihli, Shansi, Kiangsi, Fukien, Chekiang, Hupeh, Kiangsu, Honan, Shantung, Jehol, Chahar, Suiyuan and in the three provinces of Manchuria, but everywhere, in China proper so far it is known, in rather limited quantities. The ore is usually connected with Archean gneiss. In Hunan, the principal lead mining center, the ore consists of galena, mixed with zinc-blende, while in Yunnan carbonates predominate.

The best lead ore in the most important quantities is known and already worked in *Shuikoushan*, the *Province of Hunan*, and in *Kungshan*, in the Province of Yunnan. "In general"—such is the opinion of H. Foster Bain—"in various provinces of China both lead and zinc occur in small veins suitable to mining by native methods on a small scale, but not affording an adequate basis for employment of large capital".

The *Shuikoushan* mines yield a mixed ore consisting of galena and zinc-blende. H. Y. Liang gives in his report of 1925: "The Shuikoushan Mine in Hunan" the following analyses of the ores as they come from the shafts:

Table No. 7.

	Pb.%	*Zn.%*	*Ag.%*
Shaft No. 1	33.90	29 40	21.2
Shaft No. 2	19.10	29.40	18.0
Shaft No. 3	23.40	23.70	18.0

The worked concentrates contain 66 per cent of metallic lead and 10 ounces of silver per metric ton. In the beginning there was extracted and exported only the ore, but recently there has been constructed a smelting plant in the city of Changsha, where already from 1,400 to 1,500 tons of pig lead are smelted. The Hunan mines, on an average within the past few years have yielded approximately 6,500 tons of lead concentrates, the majority of which is exported to Japan. The most recent figures available of the production of lead in Hunan are those for 1925, given by the Geological Survey of China (Special Report for 1918-1925 by C. Y. Hsieh): 1,000 tons of pig lead, valued Silv. Dol. 330,000 and 8,547 tons of concentrated ore, valued Silv. Dol. 683,760.

The second in importance in the production of lead and zinc is the Kungshan mines in Yunnan. The zinc-lead ore occurs in the Kungshan region as a carbonate in limestone of Permo-Carboniferous or Triassic age. The veins are rather numerous, though small, and no extensive replacement bodies were to be seen. The ore shows no presence of silver. In Yunnan, the lead industry is as yet but little developed: The Kungshan mines of this province annually give approximately 700 tons of concentrate, valued 56,000 silv. dollars, as in 1925.

In Southern and western Yunnan there are found at several points ancient workings and extensive bodies of old slags. Some remaining ore bodies in Southern Yunnan may ultimately according to H. Foster Bain's opinion, prove of importance,

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but those of the western part of the province possess remaining reserves of ore too small and low-grade to warrant any modern exploitation.

In Szechuan, in 1925, there was registered by the Geological Survey as produced 5 tons of pig lead and 50 tons of lead concentrate.

Numerous lead veins have been recently discovered in several districts of the province of *Chekiang*, in the districts of Shaohing and Ningpo in particular. Several attempts made in 1927 and 1928 to work them commercially failed, owing to the low contents of the ore, averaging to 30-35 per cent only. Of commercial significance is a deposit near Ningpo, but it is situated on the property of a temple.

According to the *"Chinese Economic Bulletin"*, No 9 1/IX-28, lead is worked on a small scale in *Kweichow* province, where lead ore is plentiful in the *Puan*, and *Pingyuan* districts. In the Puan district the native smelting reaches about 5,000 catties of pig lead a year.

Within very recent times much attention has been given to the survey of lead deposits in Shantung, where its existence was known already at the time of the German occupation of this province. In 1925 to Shantung was invited for the purpose of conducting this prospecting, and in the capacity of adviser to the Shantung Governor-General, the well known Russian Mining Engineer Baron E. Aminoff, but the civil war in 1926 and the beginning of 1927 forced E. Aminoff to give up this work. Of interest are the deposits recently discovered near Chifu, which, it is said, are going to be worked with some Japanese financial backing.

About other provinces where lead deposits are known to exist, and, may be, worked the figures were not available even from the Geological Survey's reports.

Official data covering the production of lead in China usually relate only to concentrates, and only the latest data of the Geological Survey of China give specified figures for the production of lead in China in 1925, or: 15,550 metric tons of concentrates and 3,503 metric tons of metallic lead. The production of concentrates has progressed within recent years as follows:

Table No. 8.

The Production of 66 per cent Lead Concentrates

Year	Metric Tons
1920	3,104
1921	10,076
1922	7,884
1925	15,550

There are no prepared or anywhere nearly exact data relative to the present consumption of lead in China, and it is necessary to arrive at them by way of deduction. During the past five years of civil war the country requires ever increasing quantities of lead. The different provincial authorities are making every effort to produce it locally, but, at present it is still necessary to import it from Japan, and, generally, from abroad. When considering all circumstances, it may be concluded that in China proper there are at the present time smelted scarcely 3,500 tons of pig lead, and that in excess of from 7,000 to 12,000 tons of pig lead are imported from abroad.

With these two figures and data of the Geological Survey of China (General Statement on the Mining Industry, 1926, by C. Y. Hsieh) covering the import and export of lead, we may thus determine the consumption of lead in China. According to the statistics of the above Statement, (the last available in 1928) during the last five-year period, 1921-1925, there were imported and exported the following *average* quantities per year:

Table No. 9.

Export and Import of Lead.

Products	Quantity in metric tons	Value in Hk.Tls.
Import:		
Lead, in pigs or bars.....	8,042	1,264,557
Sheets & other manufactures of lead	1,183	230,045
Average annual total of imports....	9,225	1,494,592
Export:		
Pig lead.....	643	89,574
Lead concentrates.....	6,837	381,964

If we sum up the above figures and take the production in China of pig lead, as normal, at 3,500 metric tons valued at Hk. Tls. 700,000, we receive as a result that China within these last five years has annually consumed an average of 12,082 metric tons of pig lead and lead manufactures, totally valued Hk. Tls. 2,105,018 or Gold $1,684,015 if taken at the average rate of 80.

Manchuria

As it has been stated in detail in the preceding article on silver, the occurance of lead ore deposits has been established in all of the three provinces of Manchuria, but up to the present time lead ore has been mined by primitive methods only in insignificant quantities in Mukden, Kirin and even in Heilungkiang provinces. In olden times lead was produced only in Kirin province but as a by-product only in the smelting of silver, and, evidently in unimportant quantities.

The only working, in our time, lead mine in Kirin province of *North Manchuria*, the *Kwan-Ma-Chu-Mine*, distant 50 kilometers from the town of Panshi, Kirin Province, operated only during the war, in 1914-15, and was then abandoned because the operation was not profitable.

Discoveries of lead ore worthy of a certain interest have only recently been made in the Heilungkiang in the pri-Argun region of North Manchuria, namely in Barga, at a locality of over 200 km north of Hailar. There are entertained considerable hopes for finding them commercially important. It is known that one Chinese firm which has mined lead in Hunan has interested itself on the Heilungkiang lead and has been taking steps conjointly with a German firm. In the beginning of 1927 a contract was signed by a group of Russians and Chinese to sell to a London firm up to 20,000 tons of lead concentrate, but the capital of these initiators has been too small to enable them even to prospect the mine and during the 1926 season they produced only something like 25 tons of lead ore. At this moment, it is persistantly rumored that a large Japanese bank is interested in the mine and is aiming to back the working of it, for which purpose a large Japanese capital will be assigned.

It is apparent that *South Manchuria* has no important deposits of lead. According to Dr. H. Murakami, Director of the Dairen Geological Institute, lead ores are met with in South Manchuria as a rule in the form of massive lead ores, filling fissures in limestone and dolomite, having no gangues and without traces of ore bringers. Only in a few cases lead ores have been found in accompanying quartz and baryte in gneiss. The lead ore almost always contains a certain amount of silver.

The Japanese have carefully studied the possibilities of mining the lead ores in South Manchuria for export to Japan, but in practice nothing has as yet come thereof. Such a Japanese authority as the Geologist B. Toheida, who has given much study to minerals in South Manchuria, has established the existence of only five deposits of lead ore, which although of good quality are found in such small quantities that of these five deposits he has declared only one to be sufficiently rich to be profitably worked. At the present time, however, two are nevertheless being worked, of which even one marked by the Geologist Toheida as one of the best at *Tien Nan-kou*, in spite of the high quality of the ore, cannot be much developed in view of the small reserves. According to the Geological Survey of China, in 1924 there were smelted in South Manchuria 947 metric tons of pig lead, and in addition, 2,640 metric tons of ore exported to Japan. In 1925, according to the data from the same source, there was produced in Mukden province 500 tons of pig lead, valued Mex. $ 165,000 and 800 tons of lead ore, valued Mex. $64,000.

Japan Proper

There are absolutely no deposits of lead in Japan to amount to something promising. The lead ores are distributed very unevenly, and those worthy of any attention at all are located only in the inner arch of the Japanese islands the most important lead mine in Japan proper is that of *Kamioka*, which yielded about 2,458 metric tons, or about 84% of the total lead out put in Japan.

According to official Japanese information, Japan has smelted from its own ores the following quantities of lead:

Table No 10.

Production of Pig Lead in Japan proper

Year	Metric Tons	Value in Yen
1917	15,807	5,661,000
1918	10,684	4,153,000
1919	5,771	1,592,000
1920	4,167	1,384,000
1921	3,137	652,000
1924	2,941	969,862

The official table given sufficiently clearly indicates the hopeless situation of Japan with regard to the smelting of lead from its own ores. Reserves are insignificant, and they are already exhausted to the extent that even all other conditions being favorable and the large demand at home for lead, Japan is not able at the present time to extract from its mines even 3,000 tons of metallic lead.

The consumption of lead in raw metal in Japan is estimated, at the present time, approximately to be no less than 44,000 metric tons per annum. In the opinion of H. ForsterBain,

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the Japanese own mines have been unable to supply more than *10 per cent of the domestic demand.* With a home production of scarcely 3,000 tons of lead Japan is compelled to import the balance of over 40,000 tons partly from abroad and partly to smelt it from the concentrated lead ore imported from China and Indo-China.

The following table, the figures for which we have borrowed from the Japan Year Book, 1927, shows us the import of lead into Japan proper in 1924 and 1925:

Table No. 11.

Import of Lead into Japan proper
Ingot & slab

From:	1924	1925
	Value in Yen.	
Canada	3,889,000	6,545,000
Australia	5,056,000	3,840,000
British India	3,218,000	4,140,000
United States	2,073,000	1,330,000
Great Britain	222,000	46,000
Other countries	118,000	469,000
Total	14,577,000	16,369,000

Indo-China

It is well known fact that Indo-China is very rich in zinc. It is also known that in the long past *lead* was sold from Annam to China, from which follows that in the former country lead was known and smelted long ago. Deposits of lead ore with a considerable silver content are known also at the present time to exist in *Annam* and in *Tonkin*, but not having been properly surveyed it is not possible to determine their true commercial value. There is as yet no basis for the statement that Indo-China is poor in lead inasmuch as the existence of lead ores has been established in a great many places, but on the other hand there is no reason for optimism in this connection because nothing of outstanding importance has as yet been determined by modern survey.

Ancient Tonkin lead mines which were at first exploited by the ancient peoples of Indo-China and subsequently by the Chinese, are at the present time being surveyed by the Service des Mines de l'Indochine, which so far has discovered up to one hundred old mines. It has been established that workers in the past touched only an insignificant part of the actual reserves of ore, and this makes it possible to presume that in the regions of these ancient Tonkin mines are left industrially important quantities of untouched lead ores. The lead ore bearing region in Tonkin is very large.

In that part of Annam where lead mining is known to have existed in antiquity lead ore is even now found frequently, and the natives smelt lead here by primitive methods in small quantities. Worthy of serious attention to be worked by modern methods are the famous ancient lead mines in *Moa-Ha*, which were abandoned hundreds of years ago because they were flooded with water, of which calamity some legends have survived up to our times. The ore of this ancient mine is very rich in silver and zinc blende.

What little the French Geological Survey of Indo-China has done in the matter of surveying the Indo-Chinese lead-zinc deposits did not even include sufficient investigation of the actually existing native lead-smelting industry in Tonkin and in Annam, which is much scattered but which undoubtedly is being carried on.

In 1925 one French company began lead mining in Tonkin and according to official data of the Service des Mines de l'Indo-chine there were mined in 1926 ores containing pure lead to the extent of 390 metric tons.

Lead ore is worked, at the present time, at three mines only:

1. *Mine Teck II.* Bac-Kan Province of Tonkin.
2. *Mine Sainte Radegonde.* Son-La Province of Tonkin.
3. *Mines Speranza.* Vinh Province of Annam.

In 1926, these three mines yielded an aggregate of about 250 metric tons of ore, but besides them, Indo-China produces lead from its zinc mines at *Langhit*, where zine-blende yields from 12 to 18 per cent of lead.

Taking this latter production into consideration, the following are official lead production figures of the *Service des Mines de l'Indo-Chine*:

Table No. 12.

Lead output in Indo-China.

In terms of metal

Year.	Metric tons.
1918	330
1919	Production was
1920	interrupted.
1921	30
1922	84
1923	15
1924	313
1925	370
1926	390

The Philippine Islands

No attempts have up to the present time been made to mine lead ore in the Philippines. From all that is known, the Division of Mines of the government Bureau of Science, at Manila considers that worthy of attention are only certain deposits of lead-zinc ores on the islands of Marinduque and Masbate. The ore consists of galena and sphalerite, with an average lead contents of 6 per cent. Certain ore pockets contain up to 60 per cent of lead in the ore, and up to 45 per cent of zinc.

Claude Neon Lights Being Introduced in China

Throughout the large cities of the United States and Europe—from Los Angeles and San Francisco to New York, from London, Paris and Berlin to Rome—the old fashioned electric light bulb sign has disappeared from the thorofares. In its place has come the Claude Neon Tube, as great an improvement over the bulb as the latter was over the candle.

The Great White Way of New York is no longer white. The masses of confusing white bulbs which formerly glared from hotel and theatre fronts are gone, and in their stead have arisen graceful and decorative structures of multicolored Neon.

This new light is about to make its appearance in Shanghai. Lloyd E. Gale, President of the L. E. Gale Company of Hankow and Bruno Schwartz, owner and editor of the *Hankow Herald*, have secured the sole rights to manufacture Claude Neon tubular signs for the entire Far East, including China, the Philippines, Malay Peninsula and the Straits Settlements.

Patents and trade marks have been registered in this territory and a company capitalized at U. S. $300,000,00 has been formed under the China Trade Act to manufacture Claude Neon products throughout the Far East. The company will be known as Claude Neon Lights. Federal Inc., and its first manufacturing plant will be located in Shanghai. Three expert American technical men and engineers, and an American artist and designer, arrived here for the Company on the *s. s. President Lincoln* today. Manufacturing operations will commence very shortly.

Mr. Schwartz, who is General Manager of Claude Neon Lights, Federal Inc., is stopping at the Astor House.

Claude Neon Lights, Federal Inc., which has just been established in Shanghai, is part of the world-wide Claude Neon organization, and is claimed to be the only company authorized to operate under Claude Neon patents in the Far East.

One of the remarkable features of the new Claude Neon signs, according to Mr. Schwartz, is that in spite of the fact that their visibility is much greater than the old fashioned bulb signs, and despite the fact that they are more colorful, brilliant and much more easily read and attractive to the eye, the amount of electric current they consume is but a very small fraction of that used by the old fashioned bulb illumination.

Dr. Waddell, Famous U. S. Engineer, Arrives in China

Dr. J. A. L. Waddell, one of the leading American authorities on bridge construction, who served as engineering adviser to the Peking Government in 1921, has been engaged as consulting engineer by the National government.

He sailed from San Francisco January 4, on the s. s. *President Lincoln*, and was due to arrive in Shanghai yesterday (Jan. 25) He is accompanied by Mrs. Waddell, who is secretary of his firm, and an assistant engineer.

Dr. Waddell first came to the Far East in 1882, serving in Japan for many years. On returning to America he opened consulting engineering offices in New York and in Kansas City, Missouri, his home. Mr. Waddell was the principal engineer for the Trans-Alaska-Siberian Railway project, for which he was decorated by the Grand Duchess Olga of Russia.

In 1921 the Peking Government called for an international competition of engineers for plans and specifications for a new railway bridge across the Yellow River on the Peking-Hankow line. Dr. Waddell was asked to serve as one of five judges of the competition, and also as engineering adviser to the Government. There was disagreement among the judges and the prize was awarded over strong protest from Dr. Waddell. The winning plan was later found to be defective and was never used.

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U. S. and British Press Comment on China

Wu Ting-fang's Son.

(New York Sun, Dec. 3)

No representative of the Chinese Nationalist Government would perhaps be more acceptable to Washington than Dr. C. C. Wu, who has just been named successor to Dr. Sze, who in turn, becomes China's Minister at London. Dr. Wu knows America well and has many friends in the country, he is the son of Wu Ting-fang, long representative of the Manchu Imperial Government at Washington; he was a pupil in the schools at the national capital and won the valedictorian prize of the class with which he was graduated at the Atlantic City High School. He became Foreign Minister of the Nanking Government at its formation, but has spent much of the last year in advancing new China's interests in Europe and America. Should the United States accept the proposal of the Nanking Government to raise the legations of the two countries to the rank of embassies Dr. Wu would be the first Chinese Ambassador to this country.

Many Governments choose Foreign Ministers for their successful and efficient foreign service. Nanking in reversing this custom, announces that selection of Dr. Wu does not reduce him in governmental recognition but rather advances him, in that he possesses a special fitness for the American mission, which is today the most important foreign post within the gift of China. The United States was the first foreign nation to recognize the Nanking Government and has throughout maintained a friendly attitude toward it. This country has also taken a special interest in the Chinese proposals to end the old extraterritorial treaties, but has insisted upon proofs of a government which will give assurance of its stability and its power to protect foreigners and foreign interests in China.

The Nationalist Government has made progress in settling some of its urgent problems. It has decided upon its constitution and its form of republicanism; it has effected an understanding with foreign nations that suffered in the Nanking incident of two years ago; it has under consideration a commercial treaty with Italy and it has overcome some of the obstacles in the way of a settlement with Japan on tariff revison and several other controverted points. The use of the national railway is likely to be improved by negotiations with Mukden which will return to China proper much valuable railway stock which was appropriated by the Northern Army in its retreat.

While Nanking has given a sense of security to the customs administration, accepting the appointment of Mr. Edwardes as Inspector-General, it had aroused opposition among creditor nations by demanding the right to take over the salt tax. The Government entered into a favorable agreement with Belgium regarding extraterritoriality; most of the nations, however, maintain the same position on that matter that the United States has taken. In the consideration of a Chinese Government there must always remain two important matters of internal interest—the rivalries among native leaders and the questionable ability of any eastern control extending over the vast western provinces. New China is making determined efforts in its present stage to strengthen itself with the Powers by its foreign representatives. An example of this is the appointment of Dr. Wu to Washington.

Lancashire and Japan.

(Manchester Guardian, Dec. 28)

There was considerable surprise among Manchester business men some days ago when it was reported that Sir Miles Lampson was going to Nanking to conclude a commerical treaty between Great Britain and China, as very few of them appear to have been aware that negotiations had reached such an advaneed stage. The signing of the treaty last week was regarded as being a most encouraging development, and it may fairlv be said that traders are confidently hoping for better trade with China. These hopes are not inspired by the optimism which usually makes itself felt in the markets at the end of the year, nor are they based entirely on the fact that a treaty has been signed, for reports recently received from private sources in China have been more encouraging. There was, for example, a distinct improvement at the Shanghai piece goods auctions last week, and goods are reported to be moving more freely out of Shanghai while demand from the up-country districts has been more prominent. In addition, although goods now ordered in Manchester will, it is to be presumed, be liable to duty under the new tariff schedule, there has been a considerable amount of fresh business under negotiation in grey goods, whites and fancies, and some orders for fair quantities have actually been placed.

The Board of Trade returns for November showed that exports to China of all kinds of cotton piece goods were 28,473,200 square yards for the month, against only 8,005,500 square yards in November last year, and the total for the first eleven months of this year was 164,028,100 square yards against 94,934,900 square yards in the corresponding period of 1927. There can be no doubt that the boycott of Japanese goods in China has been of great assistance in bringing back business to Manchester. According to a recent article in the "*North China Herald*," official reports to the Japanese Government show that Manchester piece goods have not only largely displaced Japanese goods in South China but have also successfully competed with Continental goods dumped in the market. Before the boycott began in the spring Japanese piece goods occupied a most important place in the South China market, but by May this year goods from Manchester had assumed the leading position, and by July and August the Chinese, according to the reports, were buying virtually nothing else but British goods. A complete cessation of the anti-Japanese boycott would no doubt cause a readjustment of the situation, but the operation of the new labor laws in Japan next summer is likely to prove another advantage to Lancashire spinners and manufacturers.

England Accepts the New China.

(New York Times, Dec. 22)

Great Britain has extended formal recognition to the Nationalist Government of China, and has admitted in principle China's claim for tariff autonomy. Thus has the policy of friendliness proclaimed by Sir Austen Chamberlain two years ago borne fruit. The charge by Chinese radicals and many American sympathizers that England was uncompromisingly hostile to the new China has been proved fallacious, Doubtless, many Englishmen, long resident in the treaty ports of China, will look with misgivings on this final outcome to British diplomacy. But the long view has prevailed. The Foreign Office has accepted the *fait accompli* of Nationalist control, and has decided that it is better for British interests to bow to the inevitable before being overwhelmed by it.

Three points of interest attach to this action. First is the return of Britain into the circle of close friends of China. The attacks of the Chinese radicals, largely engineered by Bolshevist agents, for a time placed England in an embarrassing position. She was represented as the arch-conspirator against Chinese Nationalism. British goods were boycotted. Britons were attacked, their houses looted, their missions invaded. For a while a state of nearwar prevailed. Apparently the Russians wished to force the British into making a severe attack on the Chinese in order to discredit the British elsewhere in Asia.

Within eighteen months this has all changed. Japan is now branded by the Chinese as the leader of the "imperialists" and as the most anti-Nationalist of the Powers. This brings us to the second point, that British action runs counter to Japan's policy of withholding consent to drastic tariff revision. Thus it would seem that the reports of a renewed Anglo-Japanese understanding with respect to China have been exaggerated. Just as America's treaty with the Nationalists signed last Summer granting tariff autonomy was deprecated by the Japanese, so England's course now is not likely to be enthusiastically received in Japan.

The third point concerns the long rivalry between the United States and Great Britain as to which is China's better friend. When the United States signed the treaty last July, the British felt that the Americans were seeking to take the lead away from them. But by saluting the Chinese President with twenty-one guns the British have stolen a march on Americans. The salute is the first of its kind yet rendered, and is, therefore, specially appreciated by the formality-loving Chinese. And a dispute is still unsettled between Americans and Chinese over a salute to be fired by Chinese as the final act of reparation for the outrages on the American Consulate in Nanking in the Spring of 1927. The all-important question of "face" is involved. By failing to induce the Chinese to salute the American flag the Americans have lost face. By saluting the Chinese flag the British have gained face.

China's Tariff

(Manchester Guardian, Dec. 28)

The delay in publishing the terms of the Commercial Treaty with China which had been concluded a week ago was due to the need for obtaining the adherence to it of the British Dominions. This has now been obtained, and the benefits of the treaty will apply to the whole Empire. These benefits are both commercial and political. The commercial treaty and the formal act of recognition together mark a turning-point in Anglo-Chinese relations whose ultimate consequences are likely to be profound. The Commercial Treaty grants tariff autonomy to China and secures most-favored nation treatment for the goods of both countries. Actually this means a considerable increase in the average level of Customs duties levied in China, and those who are tempted to suppose that trade with China will suddenly recover under the stimulus of

(Continued on page 386)

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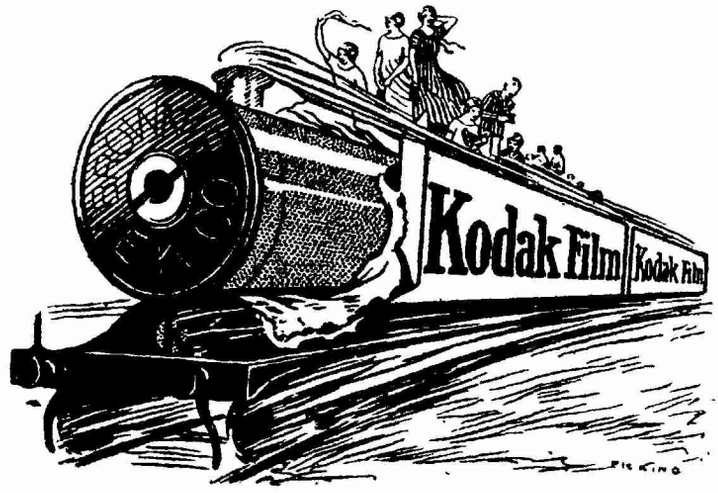

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China's Defenses To Be Developed on Basis of Japan as China's Potential Enemy

BY J. B. P.

Nationalist China has selected Japan as her hypothetical enemy and all plans for the development of a unified national army, as well as coast defenses, and naval construction, are to be worked out with this major object in view.

Although nothing has been printed in any of the newspapers accounts of the National Military Reorganization Conference, bearing on this point, there is no question but what this has been the most significant element in the discussions which have been going on in Nanking since the military conference assembled on Jan 1. It remained for a Japanese newspaper correspondent connected with the Japanese official *Rengo* service to discover the secret and telegraph it to Japan where it appeared to the following effect in the Japanese newspapers.

> Nanking, Jan. 9-"Model China's army after Japan's, but make Japan the hypothetical enemy of China," is the motto adopted by the Chinese army reorganization conference now in session here. The agenda of the conference is kept secret, but is understood to include the question of the defence of the Three Eastern Provinces of Kirin, Fengtien and Heilungkiang and in addition, Fukien and Shantung provinces on the eastern seacoast. The plans in this regard include the construction of fortresses, reconstruction of the navy and other matters of national defence.

An Echo of the Tsinan Incident

Although the Chinese military leaders have kept their plans secret, it has been no secret that every Chinese military and civilian official in the country has been working with this end in view, particularly since the Tsinan incident of May 3 last year when a Japanese army rode rough-shod over a defenceless Chinese population and mowed down Chinese men, women and children with machine guns indiscriminately. This Japanese military action on Chinese soil did more to impress the Chinese people generally, but particularly the major military and civilian leaders with the necessity of militarizing the Chinese nation than anything that has happened in Asia in several generations. Both Gen. Chiang Kai-shek, head of the National Army and Marshal Feng Yu-hsiang, the most powerful military leader in the country were in the vicinity of Tsinan at the time of these events in the spring of last year. Both realized the extreme danger involved in a clash between Japanese and Chinese troops at that time due to Japan's obvions intentious to block the advance on Peiping, hence did everything they could to get their soldiers out of the district, but despite their efforts it is a known fact that hundreds of Nationalist soldiers in small groups and without leadership hurled themselves to death against the Japanese machine guns hidden behind the sand-bag barricades at Tsinan. This indicated the feeling toward the Japanese which prevails throughout the rank and file of the Chinese army. In addresses delivered to the army and to civilian meetings shortly following the Tsinan incident, both Feng Yu-hsiang and Chiang Kai-shek emphasized the necessity for military reorganization and development, both of them frankly mentioning Japan as the potential enemy against whom China must arm herself.

Conference Constitutes Definite Step

For those who are interested in the details of the plans for military reorganization, which the National Government has set out to develop, we refer readers of *The Review* to our issues of December 29 of last year and Jan. 12 of this year; hence it is not necessary to repeat them here. But briefly it was necessary for the Government to cut down the swollen armies embracing approximately 1,600,000 men under arms which had participated in the recent revolutionary fighting to a unified national army which the nation could support; second, to work out plans for the financing of this army; third to re-district the country into military zones that would tend to break down the system of "feudalism" which has prevailed in

the Chinese military establishment since the founding of the Republic in 1911. Obviously these tremendous problems could not be solved at once, but that the Government has taken a long step toward their solution goes without saying. Neutral military observers who have been watching the situation, now feel more confident regarding the future of the National Government than at any time in the past, and it is not without significance that several European and American military observers have been in Nanking recently studying the situation.

Results of the Conference

The key-note of the Conference from the standpoint of national defense was outlined by Gen. Chiang Kai-shek at the opening session when he traced the modern development of Japan and attributed that nation's present position in world affairs to the modernization of the military establishment. He urged China to follow a similar plan in the development of her national army, using the following words,

"At the inauguration of this conference, I must explain to you how Japan became a rich and strong nation so that you will realize how important the meeting is.

"When we think of Japan, we at once naturally, think of her aggressive and oppressive policy in China, especially after the Tsinan affair. But to vent our hatred against Japan is useless. We must first find out how she became rich and powerful. Reforms and progress in her education politics and economic system and in her social, military and diplomatic affairs, have made her a strong nation.

Samurai Self-Sacrifice

"Formerly, the power of government in Japan lay in the hands of the Shogunate, a body of militarists, and under the Shogunate were the subordinate generals, the Samurai. The Samurai had their own lands and their own troops. They were sometimes loyal to the Shogunate, sometimes in a state of revolution.

"At the time when the Techuan (?) Shogunate was powerful, the administration was tyrannical. Foreign Powers treated Japan then as they treat China to-day. Many unequal treaties were concluded between Japan and the Powers. The Japanese people realized the precarious position of their nation and were of the belief that, before foreigners could be expelled and these treaties abolished, the Shogunate must be overthrown and the country made strong. An alliance of generals was formed and the tyrannical Shogunate was overthrown.

"Unlike the selfish Chinese militarists of to-day, the victorious generals immediately handed over all their powers to the Mikado and submitted themselves to be ruled. Not only did they do this, but they surrendered all their lands and troops. Thus, Japan was unified and the troops, formerly under different generals, were reorganized into a state army. After that, western sciences were introduced and many improvements were made in accordance with the ways of the west. These are the causes for Japan's greatness to-day.

This Picture and That

"To-day, the inauguration of the National Army Reorganization and Disbandment Conference will take place. I already have told you a lot of things about Japanese history and improvements. Now I want you to look at our own faces in the mirror and compare ourselves with Japan. What has been done by Japanese militarists and what has been done by Chinese militarists? Compare the difference and we will feel a sense of shame. Chinese militarists, always have the same aim in view: they always think of how they can recruit more troops, how to defeat others, and how to get more territory to control. This example was first set by Yuan Shih-kai, leader of the Peiyang military party. Tuan Chi-jui, Wu Pei-fu, Chang Tso-lin and many others followed his example. Following the fall of one militarist, another militarist stepped into his shoes and busied himself dividing lands, appointing his own men and controlling the provincial revenues. The orders of the Central Government were ignored. Subordinate generals, not content with the division of the spoils, became dissatisfied and further troubles arose. Thus, the greater the militarist's influence, the more troubles he had. That was the reason why the dream of the Peiyang militarists to unify China by force was never realized. The anti-Northern campaign of the revolutionary armies drove them into the foreign concessions. The Japanese militarists are loved by their own people but the Chinese militarists are hated by the Chinese. Which would you prefer—the Japanese militarists or the Chinese militarists? Should you wish to remain militarists, and counter-revolutionaries, I have nothing further to say to you. If not, then we must follow the Japanese example and thus the glory of the Kuomintang may be preserved.

"Now, we have already taken two steps but we must take two more. The first and second are the anti-Northern campaign and the participation of all military leaders in the Central Government. The third and fourth will be taken by the National Army Reorganization and Disbandment Conference.

Central Government Rights

"Financial and judicial rights should be vested in both the Central and Provincial Governments, but military and diplomatic rights should be vested only in the Central Government. For instance, the constitution of the United States of America provides that no troops may be maintained, no battleships may be built and no treaties may be concluded with foreign Powers by any of the different states. The newly promulgated constitution of Germany likewise places the military and diplomatic powers in the hands of the United Government. But the military and diplomatic powers of China have, for the past 17 years, been in the hands of the militarists and thus civil warfare has ensued. This is why we desire that such rights should be vested in the Central Government.

"Some will say that the Central Government is sometimes good and sometimes otherwise and, if the national military rights are vested in it, grave situations will result. This is wrong. The Central Government is the government of the Kuomintang and not of any individual. If the government is not good and its organization incomplete, we must find ways of improving them. If the government authorities are corrupt, we may exert our power to punish and dismiss them. At this period when our reconstruction programme commences, we should show our revolutionary spirt and not envy one another. Those who scheme to form other governments are counter-revolutionaries and must be punished. In a word, a strong Central Government must be formed first, if we wish to establish ourselves as a powerful nation. And if we wish to form a strong Central Government, we must first vest in it the national military powers. This is the greatest purpose of the National Army Reorganization and Disbandment Conference.

Financial Control

"The purpose of the National Army Reorganization and Disbandment Conference is not only to adjust the military affairs, but also to solve our financial problems. If financial problems are not solved, nothing useful can be done. It is my hope that the various military leaders will hand over the financial control to the Central and provincial governments, instead of retaining them. The Customs revenues, salt revenues, stamp duties, oil taxes, and the wine and tobacco taxes all should be handed over to the Central Government, which will formulate strict rules relating to their control and employ only honest tax collectors. All military leaders must, therefore, refrain from interfering with financial affairs.

"Lastly, I wish to tell you that this conference is held according to the resolution of the Central Executive Committee of the Fifth Plenary Session of the Kuomintang and it has not been organized by any individual. It must be attended by all military leaders It is my earnest hope that all faithful members of the Kuomintang will do their utmost to make it a success.".

The Financial Arrangements

In the issue of *The Review* for Jan. 19 there appeared a full report of T. V. Soong, the National Finance Minister's proposal for the adoption of a military budget. The following report by the Chinese official *Kuo Min* news agency was issued to the press in Shanghai on Jan. 18, regarding the action of the Conference in respect to Minister Soong's proposal,

"Perhaps no single step taken by the National Government since its inauguration in October last has produced such s general feeling of satisfaction, gained so much public confidence and elicited such commendation as the adoption by the National Military Disbandment and Reorganization Conference yesterday afternoon of the combined Reorganization and Disbandment program submitted by the Special Committee of 13 headed by General Feng Yu-hsiang.

"To the country's outstanding leaders, military and civil, who have been participating in the deliberations, must be given the credit for this most auspicious step; for it shows as nothing else has, that the present leaders are determined to face the true situation and cooperate with one another to solve this fundamental problem of the de-militarization of the country for the salvation of the nation.

"In brief, the general program fixes the authorized strength of the National Army at 65 Divisions totalling approximately 800,000 men (half of the present number of soldiers) at an annual expenditure of $192,000,000 (41 per cent of the Government's yearly revenue as recommended by Finance Minister T. V. Soong).

(*Continued on page 397*)

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U. S. AND BRITISH PRESS COMMENT ON CHINA

(*Continued from page 384*)

stabilised and friendly commercial relations may reflect that China's awakened sense of nationalism is almost certain to express itself, as it has done in India, in a demand that the tariff shall be used to protect and develop local industries. Even if the motive of Protection were absent the need for revenue would probably drive China in the direction of a steadily rising tariff. It will be a long time before the Central Government can command as certain and prolific a source of revenue as that provided by the Customs. The recapture of our lost Chinese trade depends upon a great number of things, but chiefly upon the lowering of production in the cotton trade to a level below that of Japan. Clearly, no treaty can affect our comparative production costs.

China's capacity to absorb foreign imports will, of course, increase with the restoration of internal order. It will be still further increased if the Chinese Government is strong enough to fulfil its promise to abolish likin, or internal transit dues, a promise which is in effect renewed under the treaty. Great Britain would no doubt obtain her share of these advantages, but cannot yet reckon on them with complete confidence. The Nanking Government rests upon too recent and slender a foundation of military success to give complete assurance of political stability. But if the immediate commercial advantages to be derived from the treaty are not very great the political advantages are considerable. And ultimately they will react upon trade. The conclusion of a treaty required the formal recognition of the Nanking Government, and the two acts together constitute the most definite proof that has yet been given that our assurances of sympathy for Chinese nationalist aspirations have been sincere and will be carried into practical effect. Nobody can say that this country has delayed the granting of recognition to the first Chinese Government that emerged from the welter of the civil war. And recognition has done as much as any military victory could do to put the authority of the new Government upon a firm and permanent base. It is a very substantial token of success to show to the Chinese people.

But if we have fortified the Nanking Government by our act of recognition we have also implicity committed ourselves to more. We have by no means yet admitted the complete equality of status which is the goal of those nationalist aspirations for which we have declared our sympathy and towards the fulfilment of which recognition is but the first step. Sir Austen Chamberlain has more than once proclaimed our general sympathy with the Chinese demand for the revision of all "unequal" treaties and it is almost certain that the next stage will be a demand for the abolition of the extraterritorial rights of foreigners in China, the recognition of modern Chinese law courts, where these exist, the surrender of all leased territory and concessions to Chinese authorities and, perhaps, the revision of those arrangements by which foreigners control the collection of that portion of the Customs which is required for the service of certain loans. Some of these demands are more easily admitted than others, and it is to be hoped that the Chinese Government will exercise a wise discrimination in its method of procedure. We have negotiated the return of the concession at Hankow, and there should be little difficulty in applying similar principles to other concessions. The international settlement at Shanghai presents a more complicated problem, not only because of the immense commercial interests involved but because agreement between several countries will be required. In general the extent to which the authority of Chinese courts can be recognised by foreigners must depend upon the extent to which they are brought up to date and apply a systematic code of law. Provided the Nanking Government does not expect to get everything at once and is able to prove its own competence to make and enforce law throughout China there should be no great difficulty in gradually transforming the old treaty system (which is no more than a system of disguised exploitation) to a basis which assumes a real equality of sovereignty. To that end the commercial treaty which has just been signed and the formal act of recognition by which it was accompanied are the first steps. It is in the goals to which they point rather than in any immediate prospect of reward that their chief significance lies.

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ON THE EVE OF CHINESE TARIFF AUTONOMY

(*Continued from page 370*)

to the foreign imported goods is the occasional delay in the circulation of these goods. So, the Chinese have a perfect right to demand from their government the immediate abolition of likin. But it is absolutely wrong for the Powers to make the abolition of likin a condition for tariff autonomy. The Chinese are taking steps to abolish likin because they desire to get rid of some of the obstacles to the development of Chinese industries, not as a fulfillment of the condition for tariff autonomy.

Further, the National Government has already taken steps to abolish likin. A Conference on Abolition of Likin of Five Provinces (Kiangsu, Kiangsi, Chekiang, Anhwei, Fukien) was called. The following resolution was reached: For the first two months, part of likin is to be abolished, and part of the special consumption tax to be enforced. For the next two months, a further portion of likin is to be abolished and a further portion of the special consumption tax is to be enforced. At the end of another two months, likin is to be totally abolished and all special consumption taxes are to be enforced. Likin, having so long a history, being a source of the Chinese revenue, its abolition certainly takes time. That it could be abolished at the end of six months is something marvellous.

Nessessity for Cooperation

Let us conclude this paper by giving some of our heartfelt words to the employees—Chinese and foreigners alike—of the Chinese Customs House. We, the Chinese appreciate very much the valuable services of the foreign employees who have done much to bring about the successful administration of the Chinese customs. We want further to remind all of them that the success in the administration of any organ depends upon the cooperation among all the employees. The Chinese employees in the Customs should not regard the foreign employees as "foreigners", while the foreign employees should never look down upon the Chinese. All of them should keep in mind that they are jointly responsible for the success in the administration of the Chinese Customs. In cases where foreigners and Chinese are employed, one of the troubles is the clear demarcation between the Chinese and foreigners. The foreign employees in the Customs organize their own club while the Chinese employees have another club of their own. Under these circumstences cooperation is lacking, and complete success in the administration can never be achieved. In fact as they are all employees of the Chinese Customs, they should form only one club. There should also be no such thing as the "struggle for equal treatment" or "struggle for improving their status," for as employees of the same Customs service, the treatment should be "equal." Men like Mr. Edwardes certainly cared nothing for the interests of the employees and success in the administration. But under Mr. Maze's administration, we are looking forward with every confidence that all long-existing defects will be remedied, that more changes will be introduced, eventually making the Chinese Customs Administration a "purely" Chinese Governmental organ, and it is our hope that all members—both foreign and Chinese—will discard all their feeling of superiority etc., but pledge themselves to serve the Chinese Customs to the best of their ability.

Shanghai, Jan. 17, 1929.

A PRACTICAL EDUCATIONAL MOVEMENT

(*Continued from page 372*)

given a certificate indicating the progress they have made if found worthy by the Engineer-in-Charge. Satisfactory students will then be recommended for promotion.

Cooperation with Government Authorities

The whole scheme contemplates complete cooperation with government authorities, provincial and central. As a school-on-foot it can move from place to place with little difficulty. Its discipline will be rigid, with the hope of developing a strong field personnel. It is planned as a school where men go to learn rather than to earn salaries. Its success will depend on whole-hearted cooperation on the part of civil and military authorities and a complete recognition of the value to China of a strong engineering profession in the modern sense.

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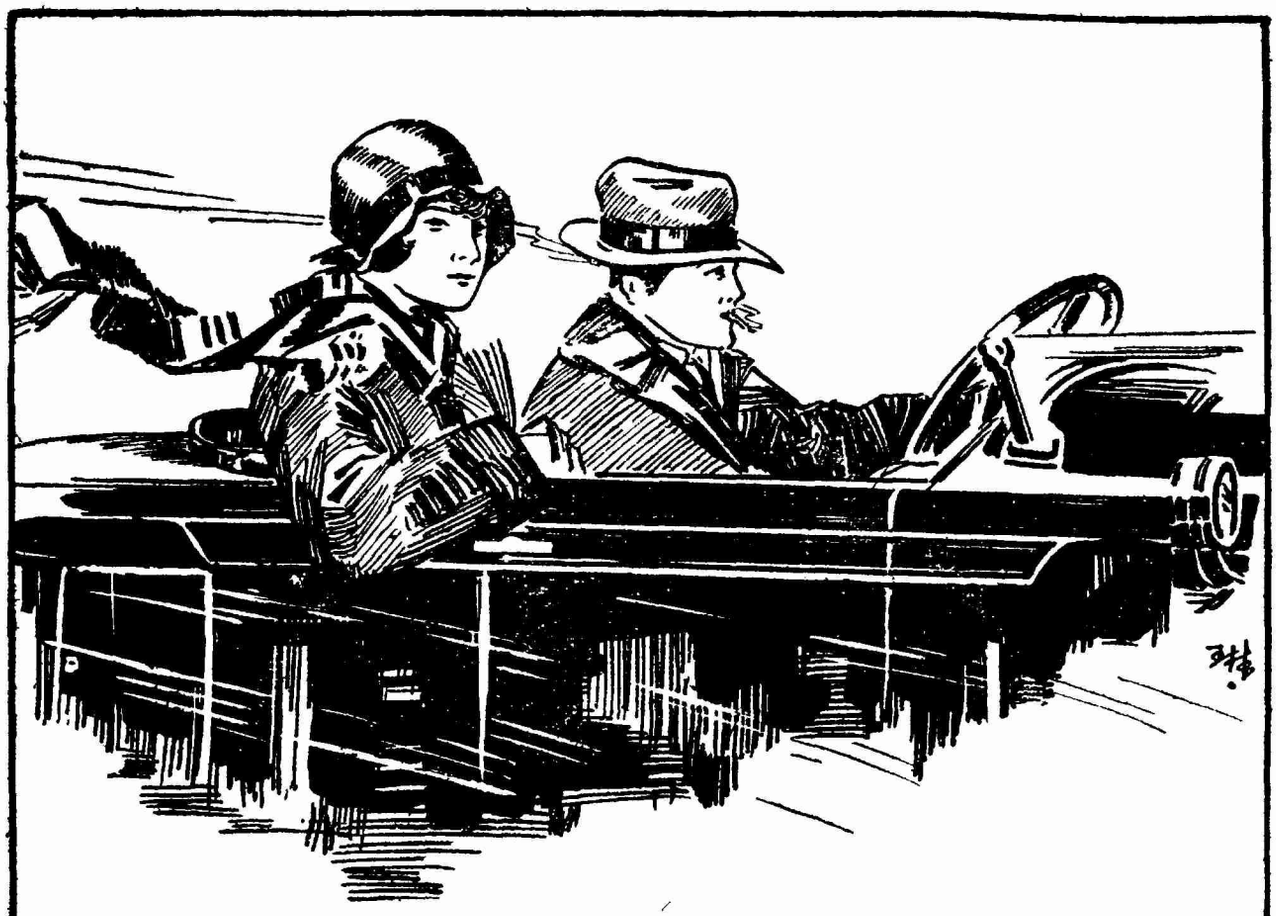
Shanghai, Jan. 17, 1929.



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Men and Events

Washington's Birthday will be celebrated in Shanghai by a ball to be held in the Majestic Hotel.

Dennis Carroll, U. S. Navy (retired) died in Shanghai January 23. The funeral was held under the auspices of Camp No. 1 U. S. Spanish War Veterans.

A. B. Tyrrell of the Radio Corporation of America and Roy Delay of the Electric Service Corporation of Shanghai are in Hongkong on business.

Dr. Anne Walter Fearn will give a lecture on Angkor under the auspices of the Woman's Auxiliary at 8.30 p. m. on January 28 in the Community Church, Shanghai.

H. A. Powell of the American Foreign Insurance Corporation of Shanghai is departing shortly for Hankow where he will be stationed for the remainder of the present year.

It is announced from Wuhu that the motor road to Hsuanchong in southern Anhwei has been completed and a motorbus passenger service between the two cities placed in operation.

Chaplaim Hall of the Fourth Regement Church and Rev. E. W. Luccock, pastor of the Community Church, Shanghai, will exchange pulpits at the morning services tomorrow (Sunday).

The headquarters of the Chinese Navy at Shanghai has placed an order with the Kiangnan Dock to build another gunboat for coastal defence. The name, of this boat will be "Min Chuan" ("The People's Rights."

M. J. Avenol, Assistant Secretary General of the League of Nations, arrived in Shanghai during the week, and received a hearty welcome from a large number of foreign and Chinese officials. Mr. Avenol is on his way to Japan.

Miles W. Vaughn, Far Eastern representative for the *United Press* was expected in Shanghai this week from a trip to Hongkong and Manila. Mr. Vaughn expects to spend considerable time here before returning to Tokyo.

F. P. Bills, managing director of the Bills Motors, has departed from Shanghai during the week for the United States on six months leave. Mr Bills had not been home for five or six years. During his absence the business will be in charge of Geo, Bourne.

J. P. Kohler, representative of the "RAC Photophone Corporation" has arrived in Shanghai for the purpose of installing equipment for "talking movies" at the Embassy Theater. The "RCA Photophone Corporation" is a subsidiary organization of the Radio Corporation of America.

The Wu-Han Division of the Central Political Council decided to construct an iron bridge over the Yangtsze River, connecting Hankow with Wuchang, for which a sum of $600,000 has been jointly appropriated by the Hupeh Provincial Government and the Wu-Han Municipal Committee.

The executive committee and secretaries of the National Christian Council held a reception at the Missions Building on Friday, Jan. 25 in honor of Dr. and Mrs. Henry T. Hodgkin who are departing for England shortly. Dr. Hodgkin has been connected with the National Christian Council for several years.

Anna Louise Strong, well known American newspaper and magazine writer who is the author of a recent book entitled, "China's Millions," is now in Kabul, Afghanistan, covering the civil war in that country for Russian and American newspapers. Miss Strong made the trip to Kabul and Moscow in an airplane.

An "Open House" was announced to be held at the Foreign Y. M. C. A., 38 Bubbling Well Road last night. About 300 members and guests were expected to attend a dinner and dance which had been planned for the evening. Special entertainment had been arranged and the Astor House hotel orchestra had been engaged to furnished the music.

J. Plaut, correspondent in the Far East for the German Wolff News Service and director of the Transoceanic Service in the Far East, has arrived in Shanghai and will make his headquarters here in future Mr. Plaut has been in the Far East for approximately twenty years, having spent most of the time in Japan and Peiping.

Mahlon F. Perkins, Counsellor of the American Legation, visited Nanking during the week and called on Dr. C. T. Wang, Minister of Foreign Affairs. Mr. Perkins was accompanied by Major John Magruder, Military Attache, and Capt. Powell, U. S Naval Attache, who also visited Nanking to establish friendly relations with the National Government's military departments.

Answering questions in the House of Commons, January 22, the War Secretary stated that conditions in China had sufficiently improved to warrant the withdrawal of some of the British troops but he did not agree that the Shanghai Volunteer Forces were sufficiently strong so that the presence of British troops was altogether unnecessary.

H E Tollefsen, Shanghai Postal Commissioner on leave, has been appointed Co Director General of Posts, in succession to H. Picard Destelan, who has cabled from France that he is unable to return to China owing to illness. Mr. Tollefsen, who has been Postal Commissioner here on two occasions previously, is expected to arrive in Shanghai early in March.

The annual meeting of the Columbia Country Club (Shanghai) was held January 18, when the following officers were elected to serve for the ensuing year:—President, L. G. Cousins; Vice-President, J. B. Davies; Hon-Secretary, J. E. C. Swan; Treasurer, A. E Schumacher. Board of Governors:—L. Everett, Mr. O. G. Frondorf, E. A. Meyerink, J. J. Sheriden, F. E. Vincent, F. F. Fairman, B. H. Watson. Also on the Board from the last term, V. Clair, F. B. Hudson, and L. R. Andrews.

The National Government, upon the recommendation of Gen. Chang Hsueh-liang, has appointed a Mr. Hsu as Chinese Consul-General at Vladivostok and according to report has also asked the Soviet Government to appoint a consul at Tientsin. Mr. Hsu, the recently appointed consular official at Vladivostok called on the Soviet Russian Consul-General at Harbin and assured him that the Chinese "have no aggressive designs" in respect to the Chinese-Eastern Railway.

Mr. Hsisan C. Liu, Member Technical Committee, Yangtze River Commission of the National Government delivered a speech on the work of the Yangtze River Commission Conservancy at a tiffin given by the members of the Y's Men's Club in Shanghai on Monday, January 21, in the China United Apartments before a large audience. Mr. Liu was Commissioner of Foreign Affairs for Ichang and Shasi, Hupeh, last year where he rendered good service to the National Government as well as the foreign Consular Body of those two ports.

Steamer "Hsin Ping An" Again Seized at Woosung

The Chinese-owned steamer, "Hsin Ping An" operated by an Anglo-Danish Company on a service between Shanghai and Vladivostok, which was seized by the Chinese military authorities several weeks ago, but released on Jan. 17, was seized again on Jan 21 when the steamer reached Woosung on its way back to Valdivostok. The steamer was seized originally on the grounds that there were "communists" among the crew and passengers. The reason for the second seizure is not known, but according to report the action was taken by the military authorities at Woosung because the military authorities at Shanghai had not consulted with them regarding the terms for releasing the steamer.

State Council Appoints Members of National Reconstruction Committee

The State Council at its meeting at Nanking January 19 passed a resloution appointing Chang Ching-kiang, Wu Chih-hui, Li Shih-tseng Tan Yen-kai, Chiang Kai-shek, Feng Yu-hsiang, Yen Hsi-shan, Li Chi-sen, Li Chung-jen, Hu Han-min, Ho Ying-ching, Sun Fo, Wei Tai-min, T. V. Soong, H H. Kung, Tai Chi-tao, Yi Yei-chi, Wang Tseng Yang-fu, Chen Li-fu, Yeh Tsu-chang, Tsai Yuan-pei, Cheng Hung-hien, Cheng Yon-hsiu (Miss Soumay Tcheng), Ma Hsiao-chun, Liu Chi-wen, Wu Chung-hsin, Li Chung-huang, Chen Yung-min, Chu Chia-hua, Li Hou-sen, Chow Ti-chiao, Chen Wei-ten, Ko Ching-heng, Ho Kuo-kwang, and Li Tun members of the National Reconstruction Committee, and Chang Ching-kiang Chairman and Tseng Yang-fu, Vice-Chairman of the Committee.

New Tariff Goes Into Effect February 1.

The Bureau of Customs Affairs in a telegram to F. W. Maze, Inspector General at Shanghai, gives instructions that from February 1 all surtax bureaus should be abolished. All imported foreign goods are to be exempted from the 2½ per cent surtax and 5 per cent luxury surtax, but the surtax of 2½ per cent on exports and 1½ per cent on coast trade is to be continued to be levied. Machine-made goods for export in addition to above are to pay still another 2½ per cent surtax.

Who's Who in China

Mr. Tai Chuan-hsien

戴傳賢字季陶

Mr. Tai Chuan-hsien, or Chi-tao, born at Hanchow Szechuen province, in 1882, is a native of Shaohing, Chekiang province His father and his grandfather were artists of great note He was a precocious child, he could write poetry, when he was only nine years old. At the age of thirteen he entered the preparatory school At the age of fourteen, he studied at a school at Chengtu, where he joined with other school-mates to take an oath to overthrow the Manchu government At the age of sixteen he went to Japan and studied at the law college in the Japanese Imperial University.

Returning to China when he was nineteen, he became a Dean at the Kiangsu Self-control and Research Institute. In the summer of 1908, he entered the journalistic circle and became an associate editor of the *Chung Wai Jih Pao*, in Shanghai. In the Autumn, he joined the *Min Li Pao*, in Shanghai, serving as associate editor, and concurrently chief editor of the *Tien Tu Pao* As both of the above were revolutionary papers, and as they were strong against the Manchu Government, his arrest was ordered. He immediately escaped to the East Indian Archipelago, where he joined the *China Light Daily News* at Penang, serving as an editor. When the revolution broke out at Wuchang, in October, 1910, Mr. Tai returned to China, and together with Generals Lang Tien-wei and Shang Cheng led the revolutionary army at the outside of Shanhaikwan, Manchuria In 1911, he became chief editor of the *Min Chuan Pao*, and concurrently a secretary to Dr Sun Yat-sen In the spring of 1913, Mr. Tai accompanied Dr. Sun to Japan In the autumn Mr. Tai followed Dr. Sun again to Japan, planning to make another movement against Yuan Shih-kai They came back to China in 1916 and Mr. Tai was appointed chief of staff to the Generalissomo, Sun Yat-sen, at Canton, and later became the Vice-Minister of Foreign Affairs. In 1918, he accompanied Dr. Sun again to Japan, and afterward came to Shanghai. In 1919, Mr. Tai, Mr. Hu Han-min and the late Mr. Liao Chung-kai became editors of the *Construction Monthly* of which Dr Sun Yat-sen was the publisher. In 1923 he left for Kwangtung and taught in Whangpoa Military Academy. In the spring of 1924 he was elected a member of the Kuomintang Central Executive Committee and concurrently member of the Central Political Com-

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Pamphlet of 1928 Treaties

1928 saw the signature of new treaties bween China and twelve foreign powers. All of these provided for tariff autonomy for China and mutual most favored nation treatment on tariff matters. Five of them also outlined definite steps toward the abolition of extra-territoriality.

Taken together, these treaties mark the beginning of a new era in China's treaty relations. The documents thus are invaluable as records and for reference purposes.

The full official texts of these treaties will be issued in pamphlet form by *The Peking Leader*. These will be on sale at the following prices, which include postage:

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mittee. In December, 1924, he accompanied Dr Sun to Peiping. In 1925, he was elected a member of the State Council of the National Government; he wrote the first volume of The Nationalist Revolution and the Kuomintang and the Philosophical Foundation of Sun Yat-senism. In 1926 he was appointed President of the National Chun-Shan University and member of the Central Political Council. In the spring of 1927, as delegate of the National Government, he revisited Japan. In the autumn of the same year he wrote two books: The Right Way for Young Men and the first volume of the Book of Japan. In 1928, when five Yuans of the National Government were established, Mr. Tai was appointed head of the Examination Yuan. In addition to that post, he also concurrently holds the presidency of the National Chun Shan University.

Financial Condition of Shanghai-Nanking Railway Shows Prosperity

The management of the Shanghai-Nanking Railway reports that the year 1929 bids fair to be one of the most prosperous years in the history of the Railway so far as its financial possibilities are concerned.

According to latest reports from the Railway, the approximate cash balance at the end of this June, calculated on the basis of the preceding year, is in the neighborhood of $1,098,000 and at the end of this year $3,069,000, assuming that the earnings for the first period average $28,000 a day and for the latter period, $30,000, and that the saving on coal through reduction in price is about $300,000 for the whole year.

Out of the total cash balance of $3,069,000, $1,000,000 is due for capital expenditure covering the last four years, in accordance with the 1924 Agreement which provided $250,000 a year for such purpose. An amount of $1,247,000 should also be set aside for meeting amortization charges. After deducting another sum of $520,000 (taken from last year's total), as allowance for unpaid military traffic, and making provision for capital funds and amortization charges above-mentioned, there should remain a net cash balance of about $300,000.

Half of the amount of capital funds, $500,000, is to be devoted to the acquisition of passenger engines, coach underframes, goods engines and wagons, costing in all about Mex. $1,500,000,

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Tokyo, Jan. 15.—Premier Tanaka states that negotiations with China are making fair progress.

Peiping, Jan. 16—Liang Chi-chao in critical condition in Union hospital.

Tokyo, Jan. 18.—Premier Tanaka in statement says Mr. Yoshizawa, who is about to leave for China, is not going to negotiate on the tariff question, but in other matters. Japan, he said, was ready to withdraw Japanese contingents from China entirely as soon as China showed sincerity in concrete steps for protecting Japanese life and property.

Tokyo Jan. 19.—Shinto Club hold meeting to discuss Chinese affairs. As regards Manchuria members are of opinion that Japan should recognize China territorial rights and endeavor to solve all pending issues by legitimate means with a view to realizing Japan's economic development in that part of China.

Tokyo, Jan. 20.—Opposition leader Hamaguchi states that Japan should act in co-operation with China as much as possible towards the latter's legitimate national aspirations.

Peiping, Jan. 21.—Ho Chi-kung, Mayor of Peiping submits to National Government, for approval, a plan for abolishing foreign jurisdiction in the Legation Quarter and turning over the policing to the local authorities.

Peiping, Jan. 21.—Provisional repairs on Yellow River Bridge are completed and a trial passage of locomotives is successful.

Hankow, Jan. 21.—Japanese authorities are detaining a motor boat on which were found five Chinese agitators who tried to get Chinese coolies working on a Japanese hulk to go on strike. Japanese Consul General charges that the Chinese authorities are actually assisting the strike pickets.

Nanking, Jan. 21.—Announcement made here that report from Tokyo that China has agreed to pay Yen 5,000,000 as the first installment of unsecured loans, is correct, but this amount is not for Japanese loans only. Nishihara loans are not included.

Tokyo, Jan. 22.—Extraordinary Cabinet meeting decide on official notes to be exchanged with China concerning new Chinese tariff to be enforced February 1.

Peiping, Jan. 22.—Feng Yu-hsiang stated to be concentrating 20,000 troops in the area near Tientsin.

Peiping, Jan. 22.—National Ministry of Communications decides to erect short-wave wireless stations at Hankow, Kalgan, Chungking, Shanghai, etc.

Tokyo Jan. 22.—Premier Tanaka makes important pronouncement before House of Peers (see page 366 this issue of *The Review*).

Peiping, Jan. 23.—Rumors current that Tientsin anti-Japanese Society intends to prohibit transportation of goods from Japan or for Japanese. Wooden cages have been erected in the streets for the purpose of locking up those who handle Japanese goods.

Nanking, Jan. 23.—Mr. Yoshizawa, Japanese Minister to China, arrives here, but formal negotiations with Dr. C. T. Wang will not take place for several days.

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From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).

Monday, January 14.—Commercial aviation corporation to be organized at Foochow with capital of $400,000.—1,000 soldiers engaged in repairing road from Western Hills to Peiping Railway station for conveyance of Sun Yat-sen's remains.—Census being taken at Changsha.—Chief Engineer Ross of steamer *Kiangan* wanted as material witness in opium investigation.—State Council gives instructions for preparation of budget.—Ministry of Agriculture submits plan at Nanking for employing 700,000 soldiers for reclamation work in various northern provinces.—Mass Education Movement being fostered in Kiangsu by Ministry of Agriculture with a view to decreasing percentage of illiteracy, Legislative Yuan holds 6th meeting.—Provincial civil affairs department announces that any district magistrate is liable to dismissal if three cases of armed robbery take place in any month without the criminals being arrested.

Tuesday, January 15.—Fong Peng-jen is appointed as State Council's representative to proceed to Mukden to investigate Yang Yu-ting execution and to make a general investigation on conditions.—Kiangsu province plans extensive afforestation.—Gen. Chen Ming-shii, chairman of Kwangtung Reconstruction department, approves appropriation of $400,000 monthly for reconstruction.—Committee on State Burial of Sun Yat-sen orders trees in Shanghai for planting along Memorial Highway.—China to send delegates to health conference at Singapore next month.—Ministry of Railways drafting modern traffic laws with a view to preventing corruption.—Huang Yu-fa conducts negotiations at Tientsin for retrocession of Belgian Concession.—Chen Wen-lin, now in Berlin, will next month start air flight from Hamburg to Nanking.—Regulations issued at Nanking governing the organization of the Mongolian and Tibetan Affairs committee.

Wednesday, January 16.—All Fengtien troops to be withdrawn from Luanho river region.—Feng Yu-hsiang instructs Woosung forts commander to keep closer surveillance over suspected steamers of all nationalities.—National Association of Chambers of Commerce petition for most favorable treatment for Chinese in French Indo-China when new Sino-French treaty is made.—Hopei province to discontinue farming out of tax collections.—Sun Fo in telegram to Chang Hsueh-liang expresses hope that death of Yang Yu-ting will remove obstacles preventing return of railway locomotives and cars, now held in Manchuria.—Executive Yuan holds 11th meeting.—Mandate passed by State Council defines procedure applying to confiscated properties.—Feng Yu-hsiang in interview on relations with Japan, says, "It must be realized that one cannot brandish one's mailed fist before one's neighbor and at the same time complain of the latter's unfriendliness,"—Mandate dismisses Yang Sen, Szechuan militarist.

Thursday, Jan. 17.—National Agricultural and Mining Conference to be held at Nanking next April—Sun Fo directs Lunghai and Tatung railways to hand over affairs to Ministry of Railways.—Shaughai district towns to be inter-connected with long distance telephone service at cost of $10,000.—200 cases Customs documents shipped from Peiping to Shanghai.—Central Political Council give orders to branches at outports to dicontinue customs surtaxes and petroleum tax bureau on February 1, when new customs tariff comes into force.—At 171st meeting C. P. C. decides that all foreign relations of various provinces must be referred to Central Government for administration.—State Council mandate announces that responsibility for present warfare in Szechuen lies with Yang Sen.

Friday, Jan. 18.—Announcement made from Germany that party of industrial experts will shortly visit China.—F. W. Maze arrives in Nanking to report assumption of his new post of Inspector-General of Customs.—M. F. Perkins, U. S. Counsellor arrives at Nanking from Peiping.—W. R. Myers appointed Acting Commissioner of Customs at Shanghai.—Organization of Canton-Hankow Commercial Aviation Co. completed.—Central Party headquarters appoints 82 delegates from various Party headquarters abroad to attend Third National Kuomintang Congress to be held in Nanking next March.—Mayor of Peiping proposes that Foreign Legation Quarter Administration should be taken over by Peiping Municipality.—Shanghai commercial bodies endorse T. V. Soong's reduction of army programme.—Dr. C. T. Wang in interview notes with pleasure visit of Japanese Minister Yoshizawa to China to commence negotiations.

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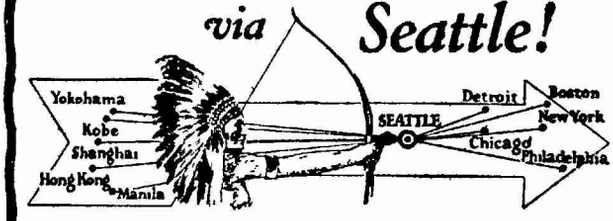

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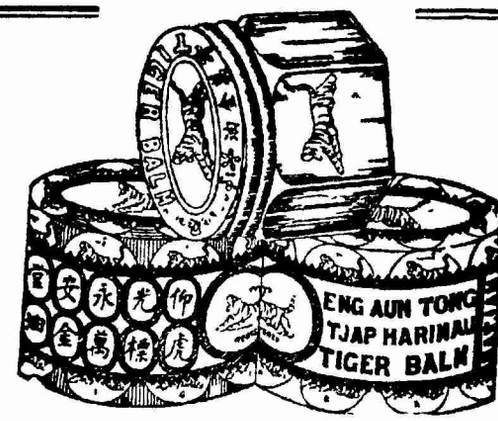

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New Books of Interest in the Far East

A Study of Modern Ireland

The Irish Free State—1922-1927, by Denis Gwynn. Macmillan and Company, Limited, London, 1928. 436 pages with index.

This book seems to be an earnest attempt to explain the young Irish Free State, its situation, its problems and their methods of solution. The introduction tells us that the first stage of the evolution of the State ended when the Republican deputies entered the Dail Eireann in 1927. Before this, also, the information for such a book as the present one was hard to obtain. Things were in too much of a condition of flux and records were not available. Now, the author feels a survey of affairs can be made, and he has attempted to give his readers a clear picture of the stress of circumstance surrounding the earliest years of the Free State. In his own words he says, "This book is an attempt to present a rapid survey of how that work of reorganization has been effected, and of the results that have already followed from the new system. The main sources of information for any student of the subject must be the debates in the Dail and the Senate, the Irish newspapers, the official reports of the various Government Departments, and the evidence given to the many Commissions of Enquiry into particular problems. In general this study of the Free State deals with what has actually been done rather than with what is proposed or remains to do. But the various chapters contain many references to the conflicting views of different parties on subjects which have provoked acute controversy. On the whole, it may be said that the Free State Government has been able to carry most of the necessary legislation virtually by consent."

The volume is divided into three sections, headed Dominion Status, Founding a New State, and The Work of Reconstruction. Each section has eight or nine chapters. The book is easy to use for reference as these chapters are well named and give precise information. There is also a workable index.

A good deal of attention is paid to the question of status in regard to the British Empire and debate is reported upon several most interesting questions concerning Great Britain and her Dominions. As an example we find this on page 123—"As a practical illustration he (Mr. Johnson) asked Mr. Fitzgerald to tell them whether the Executive Council accepted any responsibility for British policy in China? Mr. Fitzgerald replied at once, 'No, certainly not. This Government has not advised any action in China, and, as I have stated here time and again, nothing can be done in any way committing this country except on the definite advice of this country."

Under the Founding of a New State we come nearer to the actual working out of plans for the development of the country and the overcoming of its serious difficulties. Chapters upon The Restoration of Order, The New Judiciary, The Irish Army, Work of the Dail, The Senate, The Treatment of Minorities, Free Trade or Protectiou. Balancing the Budget, show the scope of the text.

To the casual reader perhaps the section upon the Work of Reconstruction is the most interesting. It seeks to show what has been done to cope with problems of unemployment, agriculture, fisheries, the electrification of industries through the scheme of using water power from the river Shannon, public credit and currency, external trade, education, local government, and the poor law, roads, railways and the post-office. A few quotations here and there will serve to show the advances reported. "In no direction has the new Government shown greater firmness and determination in the work of reform, than in the effort to improve the standard of Irish agricultural produce. The new conditions would have seemed unimaginable ten years ago, and they are already creating a new atmosphere throughout the whole life of the country." "The State hatcheries have done much to restore the loss of fish in the rivers during the years when control was absent, and output of salmon and trout was more than doubled between 1923 and 1925." "Above all, the most difficult problem in every generation—of overcoming the lack of industrial power in Ireland—has been met by the Government's boldest and most characteristic scheme, the electrification of the River Shannon at a cost so small in proportion to its possibilities that it should provide the Free State with power as cheap as almost any country in Europe." "The whole educational system of the country had to be overhauled, and has at last been organized upon an intelligent modern basis." Inefficient city governments were dissolved and their control turned over to one or more commissioners. "Dublin was handed over to a body of three young men, in Cork one was found sufficient..... Within ten months of being in office the Dublin Commissioners had found it possible to reduce the rates from the appallingly high figure of 19s. 2d. to 17s, 3d, in the pound." And there has since been further reduction. "Mr. Cosgrave, himself, notwithstanding his usual reserve in speech, told the Senate in December 1927, without hesitation, that "a greater improvement had been effected in the roads of Ireland during the past four or five years than in any other country in the world."

One of the merits of this book lies in the fact that it presents both sides of many of the debatable questions underlying reforms and it should serve to show the temper of the State and its reaction toward change. G. B. S.

An Epic of the American Civil War

John Brown's Body, by Stephen Vincent Benét. Doubleday, Doran & Co., Garden City, New York. 1928.

What is unquestionably the greatest epic poem ever produced in America is this Iliad of the Civil War. Only one American poet has dealt at all fittingly with this tremendous cataclysm,—Walt Whitman. And our great and incomparable native genius never told the whole story of the war,—the narrative of this stupendous conflict. This has been left for a lesser pen,—but nevertheless a pen capable of beauty, sympathy, irony, understanding, and dramatic power. And this poem of Stephen Vincent Benét is a wonderful and outstanding achievement.

Benét has been peculiarly fitted for this work by ancestry and education. Though his father and grandfather were officers in the Army, and he was brought up partly in the South, he lived many years in the North and was educated there. Accordingly, there comes the understanding and sympathetic portrayal of all types; pictures of southern aristocratic life, of northern farm families, of loyal devoted slaves and of desperate runaways, of crude mountain boys and of high-souled pacifist idealists, of gallant bands of ragged and starving knights of the Slave South in the last hopeless year of the war, of profiteers and politicians and prostitutes ("Do the girls change the flags on their garters when the Rebels come in?"), of

"The triple stockade of Andersonville the damned
Where men corrupted like flies in their own dung
And the gangrened sick were black with smoke and their filth."

Some will consider Benét treatment of the heroic figure of John Brown is not altogether fair. Still, the author never questions that slavery is "hopeless wrong," in spite of the individual acts of kindness which mitigated the horror of the system, and in spite of all its justifications from the preachers and Bible students of the time. "It's down there, Mister," says a slave trader, "down there in black and white—the sons of Ham—bondservants—sweat of their brows.....It's the Lord's work."

The work is a true epic poem. It is practically all in verse, but the form changes. Much of it is blank verse, but there are stanzas of exquisite songs in various forms, in almost every form in fact, expressing the wide gamut of characters and of feelings involved in this tremendous agony of a nation. "As in a Wagner opera," says Henry Seidel Canby in a report on the work (which was selected for August by the "Book-of-the-Month Club), "every character group has its own measure, and every mood its own rhythm. This is of the greatest advantage to the story of a period, a crisis, and a drama in which every character, from hero to sneak, from heroine to soldier's flirt, was intensified and made more vivid and more real than ever in ordinary life."

It is a truly magnificent book. H. H.

More about Present-Day Muscovy

Dreiser Looks at Russia, by Theodore Dreiser. New York, Horace Liveright. Gold $3.

The title is apt, for this is as much Dreiser as Russia, an exploration of the Dreiser personality as well as of the Communist experiment. If you like Dreiser, therefore, you will like the book. If you are of those to whom Dreiser is impossible then you will not swallow the book, no matter how you may feel toward Russia.

It is typically Dreiser, his elephantine style and in this instance, banality of idea sometimes as well as banality of phrase. Also it is typically Dreiser in that however unlovely the parts, the whole conveys a living picture with the atmosphere of reality. The picture may or may not be faithful to the real Russia—he was there only three months and, besides, he admittedly writes subjectively—but it is a living picture. One senses that these are human beings who are caught in the workings of the Soviet experiment, and one gets something of how it must feel to human beings. In that respect Dreiser's is almost unique among books on Russia. Further one gets something of the human values in the experiment itself.

It is a book that should not be read by those whose convictions on Soviet Russia are fixed and unyielding, Dreiser is open-minded, and went prepared to like as well as dislike. He is an individualist and an egalitarian, which makes him instinctively hostile to the imposition of discipline from without. But also he is sensitive to the cruelties of the acquisitive society. With the aims of communism he is sympathetic, to its methods

antipathetic. But he has no violent prejudices, and he sees more of good in Soviet Russia than of bad. He is even moved to enthusiasm by the dynamic spirit of Moscow. It is unclogged by inertia, and unswerved by the meannesses of political intriguery. "And what a thing that is for a government to do—think," he says. But he is not over-confident of its ultimate success.

In short, this is an impressionistic document, a record of the impressions left by Soviet Russia on the sensitive mind of an artist.

Recognition of China

(*Manchester Guardian, Dec. 21.*)

An historical event took place yesterday. The Nationalist Government of the new Chinese Republic was recognised by Great Britain. Nor is it unimportant that this country is the first of the Great Powers from whom recognition has come. China and the United States have always lived on friendly terms with one another. Had American recognition come first, British recognition would have had to follow. It might then have seemed an act done with ill grace or under pressure of the wish not to lose advantage which the Americans would otherwise gain. But to have been first will remove all suspicion without doing any harm to the United States. British prestige has suffered severely in Chinese eyes. American prestige has not. It is British prestige that needs repair, and nothing could repair it better than the recognition now accorded. The ceremony was an impressive one, the British representative conveying the sincere wishes of his Majesty King George V. for the welfare and prosperity of the Chinese Republic. A further act that will consolidate the new friendship thus begun is the signing of the new Chinese tariff schedule by Great Britian China now takes her place among the Powers, an equal among equals and sovereign in a sense she has not been since the time when her civilisation and that of the West became entangled.

Recognition by the Great Powers cannot fail to influence the internal affairs of China. The Nationalist Government, is not strong. It has been attacked for inability to achieve recognition, and its enemies at home have derived strength and encouragement from its isolated, unrecognised state. Its moral authority will now be greatly reinforced But even so its future remains very doubtful. Nothing in China to-day is sure of durability. The internal situation is more precarious even than it seemed a few months ago Stupendous plans for reconstruction have been drawn up. On paper they are unimpeachable. But they remain on paper. Vast sums have been voted for the building of railways, bridges, power stations. But these sums have no real existence, nor are they likely to have. The Chinese Republic has even developed naval ambitions, and it is proposed that there shall be a Chinese fleet—not a flotilla of small, fast gunboats for dealing with pirates and smugglers (a very necessary task), but a fleet that will make the Republic a naval Power. Battleships, cruisers, and naval bases are expensive beyond the means of any Chinese Government for very many years to come so that China's neighbors need feel no anxiety. It would be a mistake to ridicule the more exuberant dreams of the Republic and not to recognise that some practical attempt is being made to convert anarchy into order and the extreme of famished poverty into something that will at least allow the Chinese millions to live. One symptom of wisdom and moderation is the Republic's eagerness to obtain the services of European and American experts and advisers—engineers, economists, bankers, criminologists and even German officers. Nevertheless, the work of reconstruction is slow in starting and its future remains in doubt. There is a moderate group that is working with some success to develop China politically and economically in a conservative sense. But it is dependent on the militarists. Those were for a time under civilian control but they have of late shown a good deal of independence and irresponsibility. Nor have they all abandoned their tendency to act like local potentates. Thus they are continually thwarting the effective unification of the country. At the same time the Government needs them to keep down the "extremists"

It is in this political situation as well as in the extreme poverty of the masses that the tragedy of China lies to-day, a tragedy greater, even, than that of Russia. Amongst the "extremists" are innumerable men and women of courage, intelligence, and determination, who should be the hope and the future of the new China. Many of them call themselves Communists, but few are Communists in anything but in name. Their number and their heroism disprove the undisguised belief that the Chinese are natural cowards. The Chinese Revolution, in so far as it was a radical, proletarian movement has failed completely, as it was indeed bound to fail. It has been followed by a terror as bad or worse than any Red Terror that has ever been. It is going on now, and every day the heads of Chinese men and women most of them young people and sometimes mere boys and girls, are severed from their bodies by the public executioner. It is perhaps the best in China that is being sacrificed. Equally terrible is the war that is being fought against the Chinese labor movement. This movement is in its infancy. It is ill-led and badly organised It has no coherent programme and no funds. Wages are so low that they only just keep downright starvation away; hours are so long that there is hardly time enough for sleep; children, who in Western Europe would be at school, are worked and beaten like beasts of burden. But every effort to change these things is crushed by force, and all suspected leaders and "agitators" are handed over to the executioner. All these things are the price that is being paid for "stability," for "law and order" for "reconstruction," for "the new China." This new China is now being recognised by the Powers, and so it ought to be. But it is not only Governments that require recognition. It is for the Left in this country to recognise the progressive movement that exists, although crudely and primitively, in China beneath the Nationalist domination National freedom is not identical with individual freedom. In China the struggle for National freedom has won. The struggle for individual freedom is only beginning. To achieve the "constitutionalism" that Dr. Sun Yat-sen prophesied as the final stage of the Chinese Revolution, the Chinese people will need help and understanding from the Left in all civilised countries, but chiefly in Great Britain.

Shanghai Bureau of Social Affairs Makes Repert

The Bureau of the Municipality of Greater Shanghai has issued a detailed report of the result of investigations on the earnings of factory workers for the month of July, August and September of last year. The Bureau states that the results of the tryout investigation were partly unsatisfactory owing to the managements, failure to make specific entries in certain matters. Among the data furnished by the Bureau is:

1. In the ship-building industry, the managements are more concerned with work done rather than the number of laborers doing the work. In the silk reeling industry, the work in the cocoon cleaning room of the silk filatures is on piece basis since the managements merely count the number of baskets of cocoon cleaned without bothering themselves about the exact number of laborers worked.
2. In a few industries the fewness of workers has led to the omission of certain type or types of workers. For example, male workers in the silk reeling industry and female or child workers in cement, glass, paint and varnish, and some other industries have been excluded.
3. In the cigarette industry, the British American Tobacco Company, being one of the important factories as far as both the number of workers employed and the amount of wages paid are concerned, is not included in the calculation because the management fails to submit the required date.
4. In the printing industry, the Commercial Press leads all others in the number of workers and in the amount of pay. The inclusion of this factory tends to raise the average monthly earning of the whole industry.

Yang Sen Is Dismissed by National Government

A *Ta Chung* News Agency telegram from Nanking last week stated that for the second time in three months, Yang Sen, erstwhile warlord of Szechwan and a faithful adherent of Wu Pei-fu, has been dismissed by the National Government.

In a mandate issued January 15, the State Council proclaimed that Yang Sen had been given an opportunity "to repent" and had recently been appointed a member of the Szechwan Provincial Government in order that he might realisz his mistake in the past and help to stabilize the situation in Szechwan, but instead had shown no consideration for the Government and as this could not be further tolerated he was being dismissed from his substantative and concurrent poste

Dr. Anne Walter Fearn, Back in Shanghai Addresses Pan-Pacific Meeting

Dr. Anne Walter Fearn arrived back in Shanghai during the week after an extensive tour of Europe and the United States. Mrs. Fearn formerly conducted the Fearn hospital in Shanghai, while at the same time her late husband was in charge of the General Hospital. Mrs. Fearn was the guest of the Pan-Pacific Association tiffin at the Astor House yesterday when she gave an interesting account of her travels abroad. S. Fessenden, chairman of the Shanghai Municipal Council presided at the meeting.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Jan. 24	Approx. Yield to Maturity %
The National City Bank of New York		New Stock	279	1.43
Argentine Government	6	Oct. 1, 1960	100⅝	5.94
Australia	4½	May 1, 1956	88	5.34
U. S. of Brazil	6½	Oct. 15, 1957	95½	6.86
Kingdom of Belgium	7	Nov. 1, 1956	106½	6.51
City of Budapest	6	June 1, 1962	82½	7.42
Canadian Pacific Railway	4	Perpetual Stk.	85¼	4.69
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan. 1, 2000	79¼	6.28
Chicago Rapid Transit Co.	6	July 1, 1953	91	6.76
Chile Copper Co. Debs.	5	Jan. 1, 1947	95½	5.39
Chile Government (Railway)	6	Feb. 1, 1961	94	6.44
Cuba Northern Railway	5½	June 1, 1942	92	6.39
Republic of Costa Rica	7½	Sep. 1, 1949	102	7.31
Chile Government	6	Sep. 1, 1961	94	6.44
Cuban Dominican Sugar Co.	7½	Nov. 1, 1944	97	7.83
Kingdom of Denmark	6	Jan. 1, 1942	104⅝	5.48
Dutch East Dadies	5½	Nov. 1, 1953	104	5.21
Republic of Finland	5½	Feb. 1, 1958	90½	6.21
French Government	7	Dec. 1, 1949	107½	6.35
German Government	7	Oct. 15, 1949	107½	6.37
German Central Bank for Agriculture	6	Oct. 15, 1960	88	6.94
German Central Bank for Agriculture	6	Apr. 15, 1938	90½	7.47
German General Electric Co.	6	May 1, 1948	93⅜	6.57
Greek Government	6	Feb. 1, 1968	86	7.06
Ilseder Steel Corporation	7	Aug. 1, 1946	88	7.15
Kingdom of Italy	7	Dec. 1, 1951	97⅛	7.26
Japanese Government	6½	Feb. 1, 1954	101	6.42
State of Minas Geraes (Brazil)	6½	Mar. 1, 1958	94	6.98
Mortgage Bank of Chile	6	Apr. 30, 1961	92¼	6.58
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov. 1, 1957	91⅜	6.11
Kingdom of Norway	6	Oct. 15, 1952	103⅜	5.71
Northern Ohio Power & Light Co.	6½	Jan. 1, 1941	99	6.62
Republic of Peru	6	Dec. 1, 1960	89⅝	6.81
Paris, Lyons & Med. Rwy.	6	Aug. 15, 1958	100	6.00
Republic of Panama	5	May 15, 1963	93⅛	5.41
State of Rio Grande Do Sul (Brazil)	6	June 1, 1968	91	6.65
Rhine Westphalia Elec. Power Corp.	6	Aug. 1, 1953	96⅞	6.25
Saxon State Mortgage Inst.	6½	Dec. 1, 1946	95	6.99
Saxon Public Works, Inc.	6½	May 1, 1951	94⅜	7.00
Tokyo Electric Light Co.	6	Jun. 15, 1953	90½	6.80
United Kingdom of Gr. Britain	5½	Feb. 1, 1937	104	4.89
City of Vienna	6	Nov. 1, 1952	88	7.04
Abitibi Power & Paper Co.	6	Cum. Pfd. Stock.	85	7.06
BelgianNat'l.Rwy.Pcptg. Pfd. Stock	6	(American Shrs)	84½	7.10
Cannon Mills Co.		Common Stock	47	——
General Mills, Inc.	6	Cum. Pfd. Stock.	98½	6.09
General Mills, Inc.		Common Stock	87	——
Hershey Chocolate Corp. Convertible	4	Pfd. Stock	83	4.82
Mohawk Carpet Mills, Inc.		Common Stock	72	——
Pennsylvania-Dixie Cement Corp.	7	Cum. Pfd. Stock.	94	7.45
Willys Overland Co.	7	Cum. Pfd. Stock	100½	6.96
General Motors Corp. (New)		Common Stock	82½	——
Andes Coper Mining Co.		Common Stock	50⅝	——
United States Steel Corp.		Common Stock	187⅛	——
Standard Oil Co. of New Jersey		Common Stock	52	——
Standard Oil Co. of New York		Common Stock	44	——
Fuller Building Debs.	6	Jan. 1, 1944	100	6.00
City of Antwerp	5	Dce. 1, 1958	94	5.41
Republic of Finland	6½	Sep. 1, 1956	98½	6.62

NOTE: The above quotations are subject to confirmation by The National City Company, New York City.

Shanghai Exchange for Week Ending Wednesday. 23rd January, 1929

Exchange:—Since the date of our last circular the price of Bar Silver in London has declined 3/16d for spot and 1/8d for forward delivery, to 26 1/8d per oz and 26 1/4d respectively. Recently there has been but little support given to silver in the World's Markets, and the tendency appears to be downwards.

A noticeable amount of activity was shown by our local speculators during the week, their operations consisting mostly in dealings in Yens, but on the other hand, the amount of genuine business put through was moderate in the aggregate.

The under-tone of the market is none too good, and any substaintial rise in rates is hardly to be expected at the present time. However, the local market keeps quiet and steady, and the following rates for telegraphic transfers were available at the close to-day., on London 2/7., on New York 63 1/16., Yens 72 1/2.

The position of local speculators is reported to be over-sold Yens 13,000,000., and over-bought to the equivalent of £1,200,000.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls.67,951,000 an increase of Tls. 1,426,000

Chinese and Mexican Dollars..... $ 102,280,000 an increase of $ 1,480,000

Estimated value Tls. 141,592,000 as against Tls. 109,565,000 held at this time last year.

	Average rates for Dec.	Thursday Jan. 17	Friday Jan. 18	Saturday Jan. 19	Monday Jan. 21	Tuesday Jan. 22	Wed., Jan. 23
Bank's selling rates		*opening cl sing*	*opening closing*	*opening closing*	*opening c osing*	*opening closing*	*opening closing*
T/T London	2/7 125	2/7	2/6¾	2/6¾	2/6¾	2/6¾	2/6¾
D/Dfts ,,	—	2/7 1/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 15/16
4 m/s ,,	—	2/7¼	2/7	2/7	2/7	2/7	2/7
T/T India	171.906	171¼	169¾	169¾	169¾	169¾	169¾
T/T France	1,610.208	1600	1530	1590	1590	1590	1590
T/T N. Y.	62 916	62⅝	62⅛	62⅛	62⅛	62⅛	62⅛
T/T Demand		62¾	62¼	62¼	62¼	62¼	62¼
T/T Hamburg		263½	261	261	261	261	261
T/T H'kong	78.755	79⅜	79½	79⅝	79⅝	79⅝	79½
T/T Japan	72.984	72½	73⅛	73⅛	73¼	73⅛	73⅛
T/T Batavia	156.229	156	154¾	154¾	154¾	155¾	154¾
T/T Straits	90.125	90	90½	90½	90½	90½	90½
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9.125	2/9	2/8 3/4	2/8 3/4	2/8 3/4	2/8 3/4	2/8 3/4
4 m/s ,, D/P	—	2/9⅛	2/8⅞	2/8⅞	2/8⅞	2/8⅞	2/8⅞
6 m/s ,, B/L Cred D/A	2/9.437	2/9 5/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16
4 m/s B/F Cred D/A or D/P	1,680.208	1670	1600	1600	1600	1600	1600
4 m/s N.Y.Lcs	66.161	65⅞	65⅜	65⅜	65⅜	65⅜	65⅜
4 m/s ,, Doc.	—	66⅜	65⅞	65⅞	65⅞	65⅞	65⅞

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Jan. 17	Jan. 18	Jan. 19	Jan. 21	Jan. 22	Jan. 23
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/4	26 1/8	26 3/16	26 3/16	26 3/16	26 1/8
**New York Price of Bar Silver per oz. (Pure)	G. $.57⅛	G. $.56⅝	G. $.56¼	G.$.56⅞	G.$.56⅞	G.$.56⅝
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 354.70	Tls. 356	Tls. 356.90	Tls. 354.90	Tls. 355.80	Tls. 356.40
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.90	110.90	110.90	110.90	110.90	110.80
Shanghai Mexican Dollars per $100	71.8	71.775	71.7875	71.85	71.8875	71.8875
Native Bank Rate of Interest (Call money)	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.08
Bank of France rate of discount	3½%	New York on London	T/T 4.84 11/16
London open Market of Dis, 3 m/s	4 7/16%	Bombay on London	T/T 1/6 3/32
,, 4 ,,	4 5/16%	Hongkong on London	T/T 2/8
,, 6 ,,	4 3/8%	Kobe on London	T/T 1/10 13/16

CHINA'S DEFENSES TO BE DEVELOPED ON BASIS OF JAPAN AS CHINA'S POTENTIAL ENEMY

(*Continued from page 386*)

"To prevent continuation of the system of regional military control, the Headquarters of the Commander-in-Chief, the Commanders of the various Group Armies, the various Field-Commanders as well as the various Central military organs are to be forthwith abolished with the supreme military authority of the Government vested in the Central Disbandment Committee which shall control all military movements throughout the entire country.

"To expedite the carrying out of the various reorganization measures, branch offices of the Disbandment Committee will be established in the various military centres and all arsenals of the Government will stop the manufacture of arms and ammunitions. Membership of the branch Committees of the Disbandment Committee will be composed of representatives of the original Group Army Commanders concerned and those from the Central Party Headquarters and the National Government.

"No single branch Committee of the Disbandment Committee may have under its control more than 11 Divisions of soldiers and no troop maneouvres of any nature will be permitted without express authoritization from the Disbandment Committee. Since all military disbursements must only be remitted by the Ministry of Finance, unauthorized requisition of military expenses from any local authority will be strictly prohibited.

"Three principal measures of disbandment will be employed by the Committee. *Firstly*, all officers and soldiers who are judged too old and those who wish to return to their former occupations will be retired on pension according to their rank; *secondly*, all officers above the rank of Major who are properly qualified and wish to pursue further studies in their respective fields of specialization will be awarded scholarships to study abroad or in the country according to their qualifications; and *thirdly*, the surplus minor officers will be given training as supervisors or overseers in the Government's various construction schemes such as river-conservancy, reclamation, afforestation, road-building and other industrial and engineering enterprises.

"For the purpose of assisting local police forces in maintaining peace and order, the various Provincial Authorities may organize a Provincial Militia not exceeding three thousand (3,000) troops who, however, must be maintained at the expense of the Provincial Government concerned.

"A comprehensive outline of the program for National Military Reorganization and Disbandment consisting of seventeen articles was adopted.

"The historic session was presided over by President Chiang Kai-shek of the National Government and was attended by over forty members including

Feng Yu-hsiang	Wang Chung-hui,	Li Shih-tseng
Sun Fo	Yen Hsi-shan	Li Chi-sen
Wu Chih-hiu	Chang Ching-kiang	
Chu Pei-ten	Ho Ying-ching	T. V. Soong
Wang Peh-chun	Chao Tai-wen	Tsai Yuan-pei
Tan Yen-kai	Li Chung-jen	Hu Han-min
Chang Hua-fu	Chen Yi	Chen Chi-liang
Chen Shao-kwan	Liu Lu-hsien	Hsiung Bin
Ko Ching-en	Chiang Mon lin	Tsao Hao-sen
Li Tai	Chow Ya-wei	Chu Shao-kwan
Yu Fei-pang	H. H. Kung	Hsueh Tuh-pi
Wang Shu-chang	Koo Ying-fen	Chang Chun
Ho Yao-tsu	Chen Tiao-yuan	Ho Chen-chun
C. T. Wang	Ho Kuo-kwang	

Some Details

In addition to the foregoing report, the *Kuo Min* news agency published an earlier summary on Jan. 17 which gives further details,

"A resolution to abolish all posts of group commanders-in-chief and other high military commanders established during the civil war, and to put all armies of China under Unified Command of a Commission on Disbandment was passed. This means abolition of group armies as such; and the National Government will be in direct control of all armies of the country.

"The Conference also adopted a resolution to put all Arsenals under the direct control and supervision of the Central Government.

"In carrying out the practical part of the disbandment program the Conference decided to divide the laborious task of disbandment into six regions geographically. The first four regions will correspond to the first four group armies; the fifth will be in charge of disbandment of troops in the Three Eastern Provinces; and the sixth in charge of disbandment of troops in Szechuan, Yunnan and Kweichow.

"The present program of disbandment is to reduce the whole national army of the Chinese Republic to a maximum of 65 divisions, each division having about 11,000 men. In other words, this will mean a reduction of more than half of the present armies.

"The number of soldiers, even after reorganization and disbandment, will continue gradually to be decreased until the amount of money needed to support them will not exceed 40 percent of the total revenue of the National Government.

"Definite plans were passed by the Conference also for taking care of the disbanded soldiers. Funds will be allowed to pay pensions to the disabled, and others will be sent to industrial or vocational schools for training for a period of one to three years.

"The Conference further resolved that as soon as regional and district offices of the Disbandment Commission are established, all revenues throughout China will be collected and controlled by the Ministry of Finance of the National Government. Payment of troops will be made by the Ministry of Finance to the Disbandment Commission which will in turn make disbursements according to the various units. The above resolutions were unanimously passed and will be submitted to the Government for approval and promulgation."

An American Appraisal

The following summary and appraisal of the Military Reorganization Conference, is of interest in that it appeared in the miniature newspaper "*Walla Walla*" which is issued by the Fourth Regiment U. S. Marines stationed in Shanghai.

"The Military Disbandment and Reorganization Conference now being held at Nanking has the power to make or break the present Central Government. The prospects are that it will result in strengthening it. For the first time in the history of the Revolution all the important military leaders of China are sitting around the council table together. This in itself is a notable achievement. Yen Hsin-shan, the governor of the model province of Shansi is sitting beside his sworn enemy Feng Yu-hsiang, the so-called Christian General. Li Chi-sen and Li Chung-jen of the famous Kwangsi Clique are talking things over with Chiang Kai-shek, who, a few months ago, were reported to on the verge of rebellion against Nanking. And what is the result? Definite plans have been prepared and promulgated for the reduction of the armies from their present strength of 1,600,000 to 800,000, and machinery is being devised for the enforcement of these plans.

"It will be well to review the present organization of the armies. In China proper there are four regularly organized groups of armies as follows:

1st Group Army under General Chiang Kai-shek controls the provinces of Kiangsu, Chekiang, Fukien, Anhwei and Kiangsi.

2nd Group Army under General Feng Yu-hsiang controls Kansu, Shensi and Honan.

3rd Group Army under General Yen Hsih-shan controls Shansi and part of Hopei (old Chili province).

4th Group Army under General Li Chung-jen controls Hupeh and Hunan provinces.

General Li Chi-sen controls Kwangtung with an independent force.

Other independent armies are spread over the provinces of Kwangsi, Kweichow, Yunnan and Szechuan.

In addition to the above General Chang Hsueh-liang in Manchuria has about a quarter of a million men.

"Instead of being paid and equipped by the Central Government these troops are maintained by levying on the provinces in which they are stationed. This system tends to perpetuate the old regime of factional government by the respective war lords. The Disbandment and Reorganization Conference will change all this. There will be one standing army of 800,000 men which will be maintained by and will be under the control of the Central Government at Nanking. Individual commanders are forbidden to levy on local merchants and bankers for money. The revenues of the provinces will flow into the coffers of the Nanking government, and the troops will be maintained from the same coffers.

"Disbandment will be accomplished in this way: The country has been divided into six disbandment areas, the first four of which correspond to the first four Group Army areas. Manchuria will constitute the 5th area, and Szechuan, Kweichow and Yunnan the 6th. The province of Shantung will become part of the 2d area. Each area will organize a total of eleven divisions. In reducing the forces all officers and men beyond a certain age (not yet determined) will be retired. Others will be discharged and re-employed (if they so desire) in re-construction work which the government is commencing.

"The acid test, of course, lies in the power of the government to bring these plans into execution. Time alone can reveal that. For the present, the fact that a plan has been adopted is in itself a triumph for the government."

New Address of the Bureau of International Exchange of Publications

THE Public is hereby notified that the Bureau of International Exchange of Publications of Peiping has been removed to Shanghai. The Bureau is now a Department of the National Research Institute which has its headquarters in Shanghai. Publications transferred from Peiping are now being unboxed and will be sent to the addresses as soon as possible. All Correspondences intended for the Bureau of International Exchange of Publications should hereafter be forwarded to the following address:

Bureau of International Exchange of Publications
National Research Institute
205, AVENUE DU ROI ALBERT,
SHANGHAI, CHINA.

Scots Guards Depart; U.S. Marines Among Well-Wishers

Shanghai gave a rousing farewell to the departing Scots Guards (2nd Battalion), and prominent among those who added their wishes for a *bon voyage* were the American Marines now stationed in Shanghai. The Scots Guards and the American Marines had developed a great friendship, as was only natural, seeing that they were both engaged in similar duties, namely that of maintaining order in the foreign-controlled areas in this part of the world. But conditions throughout China have much improved since the foreign governments, particularly America and Great Britain, decided to send extra armed forces out here, and both governments are now pursuing the policy of very materially reducing their forces. Contingents of British forces have been withdrawn at various times during the past six months and the departure of the Scots Guards comes at the same time as a very considerable reduction of the American Marines in China is being carried out.

The Scots Guards sailed from Shanghai, January 21, on the transport *City of Marseilles*, and a large crowd of officials and civilians in all walks of life gathered at the wharf to give them a send-off.

At the U. S. Marine headquarters in Sinza road on the forenoon of January 18, a handsome silver statuette of a Scots' Guards drummer was presented with appropriate ceremonies by the Guards to the Marines. The Guards were headed by their Commander, Lieut.-Col. Warner. They were drawn up on one side, and on the other side a detachment of the Marines was drawn up, with Col. C. H. Lyman, Regimental Commander at their head. Lieut. Col. Fred D. Kilgore and other officers were present. The occasion was enlivened by music contributed by the full Regimental Marine Band.

Not to be outdone in expressing the amity which has existed between these two services, the Marines also made a presentation, and they kept it for a surprise just as the transport carrying the Guards was about to sail. The tribute from the Marines took the shape of a beautiful silver shield mounted on a blackwood frame, the presentation being made by Col. Lyman to Col. Warner.

The following letter of apreciation was sent to all the newspapers in Shanghai:

Dear Sir,

"On the departure of the Battalion under my command I desire to convey the gratitude of all ranks for the hospitality which has been extended to them in Shanghai. Organisations for the entertainment of the troops, local Societies, other Units of the Defence Force and private individuals have done much to make our stay pleasant and we would ask them to believe that we are not ungrateful

"We hope that the many friends of the Scots Guards will visit the United Kingdom and not forget to give us the opportunity of making some return for the kindness with which we have been received in the Far East.

"Though not suggesting that we are reluctant to return Home it is with real regret that we part with many friends in Shanghai.

I am Sir,
E C. T. WARNER,
Lt-Colonel, Commanding, 2nd. Bn. Scots Guards"

Temporary Repairs of Yellow River Bridge Completed

The Ministry of Railways announces that the Yellow River Bridge has now been temporarily repaired and that through traffic can be operated between Pukow and Tientsin as soon as satisfactory arrangements can be reached with the Japanese.

On January 20 a test train of four cars, under the direction of the Railway's Engineer, Mr. Hearne, carrying the foreign consular body, Japanese civil and military authorities, and over fifty prominent guests successfully crossed the Yellow River Bridge.

The first lot of rolling stock released by the Japanese contains 2 locomotives, of which one was damaged, 4 passenger cars, and 10 goods wagons, which are now conveyed to Taian, and will soon reach the Pukow Station The freight cars were intended for the conveyance and loading of goods at he various stations of importance. The running of trains between Pukow and Tsinan requires 6 locomotive and 100 freight cars. Mr. Hearne has been instructed to remain in Tsinan to continue negotiations with the Japanese.

Chinese Railway Loan of G$2,000,000 Secured on Belgian Indemnity

Benjamin & Potts, Shanghai share brokers recently purchased from the Banque Belge pour l'Etranger Gold $2,000,000 of 6 per cent Gold Dollar Bonds (1928) at the price of 83.

These bonds were placed on the market on behalf of the Ministry of Railways and the Lung hai Railway Administration, who participate in the Belgian share of the Boxer Indemnity on the following bosis: The Lung-hai Railway 40 per cent.; and the remainder for educational and charitable purposes.

This is the first transaction of this nature involving the credit of the National Government

The particulars of the bonds are as follows:—Issued: July 1, 1928, Matures. January 1. 1941.

Interest payable: Semi-annually, January and July. Interest: 6 per . cent. per annum.

Drawings: Semi-annually, January and July.

National Anti-Opium Association Prepares for Conference at Geneva

China is making preparations to take part in the International Opium Conference to be held next Autumn at Geneva A special Committee has been formed under the auspices of the National Anti-Opium Association of China, consisting of Dr R Y. Lo, Chairman, Dr. Wu Lien-teh, Special member, Rev. K T. Chung, Honorary Vice-president, and Garfield Huang Acting General Secretary of the National Anti-Opium Association. It is the Association's program that another anti-opium campaign should be staged throughout China in order to arouse public opinion to the seriousness of the opium problem

Veteran American Newspaper Man Will Fly From England to Shanghai

Van Lear Black, owner of the Baltimore *Sun*, who last year flew in his own plane from Holland to the Dutch East Indies and also around the coast of Africa, has announced that he intends shortly to cover two continents and during the course of his proposed flight will touch at Shanghai. It is his intention to leave Croydon, England, February 7, and fly by way of India and Shanghai to Tokyo, returning to England *via* Siberia.